



Daily Report

East Asia

FBIS-EAS-90-177
Wednesday
12 September 1990

Daily Report

East Asia

FBIS-EAS-90-177

CONTENTS

12 September 1990

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

'Tasks Remain' Following Agreement on Cambodia	1
Alatas on Further Consultations [ANTARA]	1
Hun Sen Thanks Alatas [Phnom Penh Radio]	1
Hun Sen Proposes Meeting Venue [Bangkok BANGKOK POST 12 Sep]	1
TASS Interviews Hun Sen [SPK]	2
Minister Addresses ASEAN Oil Council Meeting [ANTARA]	3

NORTHEAST ASIA

Japan

More Reportage on Oil, Middle East Situation	4
Effect of Oil Prices Predicted [KYODO]	4
U.S. Charter of Ship Viewed [KYODO]	4
G-7 To Discuss Aid Plan Details [KYODO]	4
Resolution Urges Iraqi Withdrawal [KYODO]	5
Support Pledged for Peace Efforts [KYODO]	5
Hashimoto, Brady Divided on Aid [KYODO]	5
Trading Firms Refuse Request [KYODO]	6
Oil Price Increases Approved [KYODO]	6
Creation of UN Corps Proposed [KYODO]	7
Medical Advance Party To Leave [KYODO]	7
JSP Opposes Any SDF Dispatch [KYODO]	8
Second Program Installment Noted [KYODO]	8
USSR Reportedly To Tackle Territorial Dispute [KYODO]	8
Official Rebuts Shevardnadze on Territory Issue [KYODO]	9
Sakhalin Mission Returns Soldiers' Remains [KYODO]	9
Kaifu Supports Sending Minister to Asian Games [Tokyo TV]	9
Ichiro Ozawa Meets With ROK Parliamentarian [KYODO]	10
Panel Urges Better Financial Infrastructure [KYODO]	10

Mongolia

Byambasuren To Form Coalition Government [Ulaanbaatar International]	11
Byambasuren Backs Market Economy, Investment [KYODO]	11
P. Ochirbat on Reform, Ties With USSR, PRC [Ulaanbaatar International]	11
Hural Approves Resolution on Forming Committees [Ulaanbaatar International]	12
People's Great Hural Session Ends 11 Sep [Ulaanbaatar International]	12
International Conference Views Economic Issues [Ulaanbaatar International]	12
Trade Union Group Approves Draft Pension Law [Ulaanbaatar International]	13

North Korea

Liaison Official Proposes N-S Contact on UN [KCNA]	13
Newspaper Condemns South's One-Party Assembly [KCNA]	13
U.S. Accelerating 'War Preparations' in Gulf [Pyongyang Radio]	13
Moscow Celebrates DPRK Founding Anniversary [Pyongyang Radio]	14
PRC Leaders Send Greetings to Kim Il-song [Pyongyang Radio]	14
PRC Group Hosts Banquet To Mark Anniversary [Pyongyang Radio]	15
Premier Delivers DPRK Anniversary Address [Pyongyang Radio]	16

South Korea

North UN Membership Proposal To Be Discussed [YONHAP]	23
North Communication To Rally Organizers Denied [YONHAP]	23
Kiin Il-song's 'Secret' Visit to PRC Reported [YONHAP]	23
Kanemaru Promises To Encourage N-S Exchange [YONHAP]	24
Japan Proposes Plan for Asian Communications [KYODO]	24
Plans To Import Soviet Raw Materials Reported [THE KOREA TIMES 11 Sep]	24
Malaysian Premier Mahathir, Delegation Arrive [YONHAP]	25
Further on Official Visit [BERNAMA]	25
Mahathir: Will Increase Trade [YONHAP]	25
More on No Tae-u Meeting [Kuala Lumpur International]	26
Mahathir on Industrialization [BERNAMA]	26
New ROC Ambassador on Bilateral, PRC Ties [HANGUK ILBO 8 Sep]	26
Daewoo Exports Railcars, Assembly Line to Burma [THE KOREA TIMES 12 Sep]	27
Hyundai Exports 36 Railroad Cars to Nigeria [THE KOREA TIMES 12 Sep]	27
Explosive Issues Require Parliamentary Stability [THE KOREA TIMES 12 Sep]	28
PPD Refuses To Return to National Assembly [YONHAP]	28
Minister Urges Businesses To Increase Exports [THE KOREA TIMES 8 Sep]	29
Tariffs on Farm Products for Rural Investment [THE KOREA TIMES 11 Sep]	29
Labor Shortage Hampers Research Investment [THE KOREA HERALD 11 Sep]	30

SOUTHEAST ASIA

Burma

Students, Monks Demonstrate in Mandalay 10 Sep [Rangoon Radio]	31
Dissidents Urge UN To Reject Aid Requests [Bangkok BANGKOK POST 9 Sep]	31
Opium Seized After Clashes With Rebel Groups [Rangoon Radio]	31
PRC Narcotics Control Study Mission Departs [Rangoon Radio]	32

Cambodia

Son Sann Sees Continuing Obstacles to Peace [Radio VOK]	32
KPNLF Says 'Too Early' To Assess Accord [Bangkok BANGKOK POST 12 Sep]	32
VODK Demands SRV 'Sincerely' Implement Plan	32

Philippines

Further Protests, Discussions on U.S. Bases	33
8 Arrested at U.S. Embassy [Quezon City Radio]	33
'Mass Action' Moved Up [BUSINESS WORLD 12 Sep]	33
Panel To View Jurisdiction [Manila Radio]	33
Panel Member on Talks Suspension [Manila Radio]	34
Congressmen Seek Stand [MALAYA 10 Sep]	34
Opposition Members Oppose Talks [Manila Radio]	34
Soviet Official Urges Removal [PHILIPPINE DAILY INQUIRER 31 Aug]	34
Ramos on U.S. Counterinsurgency Equipment Offer [Manila Radio]	35
Concern for Workers in Gulf, Oil Continues	35
Manglapus Admits Food Shortage [Manila Radio]	35
Transportation Aid Requested [KYODO]	35
Manglapus on Free Oil Offer [Manila Radio]	35
Government Ready for Price Protests [Manila Radio]	36
Oil Bill 'Expected To Swell' [THE MANILA CHRONICLE 10 Sep]	36
Explosion in Army Headquarters 11 Sep Reported [AFP]	36
Army Chief Accuses Rebels [Quezon City Radio]	37
Malacanang Says Guards Not Involved in Bombings [Manila Radio]	37
'Small Bomb' Explodes in University Classroom [Manila Radio]	37
Biazon Says Armory Raid Part of Coup Plot [Manila Radio]	37
Admits Lax Security [Manila Radio]	38
Aquino Halts Offensive in Selected Areas [Quezon City Radio]	38

Defense Department Suggests Cease-Fire Zones [Manila Radio]	38
De Villa Says Truce With Rebels 'Remote' [Manila Radio]	38
Senator Wants No Precondition for Cease-Fire [Manila Radio]	38
Aquino on Consultative Group, Amnesty for Rebels [Manila Radio]	39
Maceda Wants Rebel Soldiers Included in Talks [Manila Radio]	39
Anticommunist Group Opposes More Peace Talks [MANILA BULLETIN 4 Sep]	39
Surrenders of Rebel Groups Since 1987 Reported [Quezon City Radio]	39
Over 100 Reportedly Surrender in Capiz 12 Sep [Quezon City Radio]	40
Businessmen, Politicians Said Aiding Noble [MANILA BULLETIN 4 Sep]	40
Military Ready for Trouble After Oil Price Rise [Manila Radio]	40
Navy Chief Claims NPA Operating Along Coasts [MANILA BULLETIN 7 Sep]	41
Aquino Appeals for Unity From Labor Groups [Manila Radio]	41
Aquino Explains Laurel's Exclusion From Group [Manila Radio]	41
Legislative Involvement in Debt Talks Rejected [MANILA BULLETIN 5 Sep]	41

Thailand

Further Reportage on Jakarta Cambodia Meeting	42
Hun Sen To Meet Chatchai [Bangkok Radio]	42
Foreign Minister on Settlement [Bangkok Radio]	42
'Arduous Road' to Peace [THE NATION 12 Sep]	42
'Chances for Success' in Talks [THE NATION 7 Sep]	43
Commentary Urges Settlement [BANGKOK POST 6 Sep]	44
Dailies Discuss UN Resolution [BAN MUANG 1 Sep, etc]	46
Athit Party Asks More Posts in Chatchai Cabinet [THE NATION 9 Sep]	46
Chatchai Assigns Tasks to Five Deputies [THE NATION 5 Sep]	47
Chatchai Gives New Duties to PM Ministers [BANGKOK POST 5 Sep]	47
Daily Comments on Role of Military in Democracy [MATICHON 1 Sep]	48
Editorial Points to Chatchai 'Political Weakness' [THE NATION 1 Sep]	48
Cabinet Approves Oil, Energy Saving Measures [Bangkok Radio]	49
Paper Views Prospects for Bush-Gorbachev Summit [THE NATION 7 Sep]	49
U.S. Citizen Arrested on Heroin Charge [THE NATION 3 Sep]	50
Nigerian With 11 Kg Heroin Arrested [THE NATION 5 Sep]	50

Vietnam

Further Reportage on Jakarta Cambodia Meeting	50
NHAN DAN on Accord [VNA]	50
Radio Notes Acceptance of Plan [Hanoi International]	51
Commentary Welcomes 'Success' [Hanoi Radio]	51
Do Muoi Receives Outgoing GDR Ambassador [VNA]	52
Ho Chi Minh Banquet With U.S. Guests Recalled [Hanoi Radio]	52
Do Muoi Receives U.S. Magazine Newsmen [VNA]	52
Indian Trade Delegation Arrives 11 Sep [VNA]	53
Party-State Leaders Greet Ethiopia's Revolution [VNA]	53
Nguyen Khanh Meets SRV Delegates to Asiad [VNA]	53
Angolan Trade Delegation Visits 31 Aug-5 Sep [VNA]	53
Vo Chi Cong Greets Mongolian Leader on Election [VNA]	53
FRG Offers 4.4 Million Dollars in Aid [VNA]	54
Vietnamese Party Lecturers Visit Laos [VNA]	54
Vo Chi Cong Greets Al-Qadhdhafi on Libyan Day [VNA]	54
Do Muoi Receives Outgoing Canadian Ambassador [VNA]	54
Total Foreign Investment Doubles in Past Year [AFP]	54
Committee Reports on Foreign Investment [VNA]	55
Overseas Vietnamese Send Foreign Technology Home [VNA]	55
First VISA Credit Card Service Center Opened [VNA]	55
Commerce Minister Receives Foreign Businessmen [VNA]	56
Haiphong Security Forces Arrest '305 Criminals' [Hanoi Radio]	56
Writer Urges People To Use Locally Made Goods [Hanoi Radio]	56
Ceremony Marks Customs Department's Anniversary [Hanoi Radio]	56
Hoang Lien Son Steps Up Border Management Work [Hanoi Radio]	57

State Council Decides To Adjust Commodity Taxes [Hanoi Radio]	57
Vo Chi Cong Letter to Teachers on Academic Year [VNA]	57
Le Quang Dao Attends New School Year Function [Hanoi Radio]	58
Education Minister on New Academic Year [VNA]	58
Dong Sy Nguyen Meets With Typhoon Victims [Hanoi Radio]	58
Nguyen Van Linh on Ideological Work in Colleges [VNA]	59
Dong Sy Nguyen Addresses Bank Conference [Hanoi Radio]	59
NHAN DAN Urges State Mechanism Strengthening [Hanoi Radio]	59
Labor Statute Promulgated for Foreign Enterprises [VNA]	60

'Tasks Remain' Following Agreement on Cambodia

Alatas on Further Consultations

BK1109091990 Jakarta ANTARA in English 0816 GMT 11 Sep 90

[Text] Jakarta, Sep 11 (OANA/ANTARA)—More tasks remain to be done after the agreement on the framework document on Cambodia forwarded by the five permanent members of the UN Security Council and the establishment of the Cambodian Supreme National Council (SNC), Foreign Minister Ali Alatas as a co-chairman of the informal meeting on Cambodia (IMC) has said. No doubt, more works have been awaiting, Minister Alatas told a press conference marking the end of the two-day meeting at the Hotel Indonesia here Monday evening.

Alatas further said after the agreement on the framework document and the SNC establishment, the two co-chairpersons will hold consultations with other participants aiming at resuming the Paris International Conference on Cambodia (PICC) in an effort to settle the political problem in that country.

The peace package contained in the framework document proposed to the Cambodian conflicting parties to establish a temporary administration called a Supreme National Council (SNC). SNC is to transfer most of its authorities in Cambodia to a UN supervision agency until general election is carried out and a new government formed. The permanent five members—Britain, France, the People's Republic of China, the Soviet Union and the United States—ratified the document last August 28.

Alatas' press conference was also attended by the three Cambodian leading figures Hun Sen, Ranariddh and Khieu Samphan who said that the meeting has produced historic results.

According to Secretary General of the Indian Foreign Ministry L. Mehtetra, India's Foreign Minister Inder K. Gujral has fully supported efforts made by all sides including the co-chairmen to achieve peace in Cambodia. India and Indonesia agreed to further strengthen cooperation to achieve peace in Cambodia at various international forums, the secretary general said after meeting with Alatas.

During a 20-minute meeting with Alatas, Mahtetra who was to convey a special message from Minister Gujral also extended congratulation over the success of the IMC.

Besides the Cambodian problem, the two Indian high ranking officials also talked about the Non-aligned Movement (NAM) and the Gulf crisis. Indonesia and India are NAM members.

Hun Sen Thanks Alatas

BK1209052890 Phnom Penh Domestic Service in Cambodian 0430 GMT 12 Sep 90

[Message from Hun Sen to Indonesian Foreign Minister Ali Alatas; dated 11 September—read by announcer]

[Text] On the happy and historic occasion of our common efforts to find peace for Cambodia, I cannot find words good enough to express the profound and respectful gratitude of all of us and of the Cambodian people and government to you personally, your colleagues, your government, particularly to His Excellency President Suharto, and to the great Indonesian people for having made enduring efforts to end the long suffering of the Cambodian people and to restore peace and national reconciliation in Cambodia.

We clearly realize that after the successful results of our meeting in Jakarta, as you correctly said, we still face a new and difficult road ahead. Therefore, our urgent task is to convene most quickly the Supreme National Council so this body can represent Cambodia at the 45th session of the UN General Assembly and to start the cease-fire, thus paving the way for the United Nations to get involved in the peace process in accordance with the direction set in the framework document of the five countries.

Thanks to your assistance, we have now reached a new turning point and are probably headed into a correct path of peace and national reconciliation in Cambodia. I firmly believe that you, in your role as cochairman of the Paris international conference on Cambodia, will continue to follow this peace process and contribute to definitively and quickly ending this conflict.

Please accept my high consideration.

Hun Sen Proposes Meeting Venue

BK1209014590 Bangkok BANGKOK POST in English 12 Sep 90 pp 1, 3

[By Suphaphon Kanwirayothin]

[Text] Jakarta—Phnom Penh Prime Minister Hun Sen said yesterday he would ask Prime Minister Chatchai Chunhawan to help facilitate the early convening of the Supreme National Council [SNC].

Mr Hun Sen is due in Bangkok at about 3 p.m. today after which he will meet Prime Minister Chatchai at Government House to discuss bilateral relations and economic issues. The Prime Minister will host a dinner reception for the visitor at Soi Ratchakhru. Other guests at the dinner include Army commander-in-chief Gen [General] Suchinda Khraprayun, Foreign Minister Subin Pinkhayan, supreme commander Gen Sunthon Khongsomphong, former army chief Gen Chawalit Yongchaiyut and Foreign Affairs Permanent Secretary Kasem S. Kasemsi.

As the four Khmer factions are settling the questions of when and where the SNC will convene, Mr Hun Sen said he will, together with Gen Chatchai, try to work towards the schedule of the inaugural session so that the SNC can occupy the Cambodian seat in the United Nations. "Indeed, Thailand has a very important role to play because all the (resistance) parties are staying in Thailand, and communication is easy," he told the BANGKOK POST.

Mr Hun Sen proposed that Bangkok be the venue for the SNC's first session.

The Khmer Rouge and Sihanoukist delegations left Jakarta yesterday while the Khmer People's National Liberation Front (KPNLF) and Phnom Penh delegations are leaving today, all presumed heading for Bangkok.

During his consultations with other factions except the Khmer Rouge here on Monday night, Mr Hun Sen also proposed Jakarta and Tokyo as the venue.

Asked whether he would call upon Indonesia and France which co-chaired the Paris International Conference on Cambodia (PICC) to assist in bringing about the first SNC session, he replied: "I would like to test the ability of the Cambodian people and the 12 SNC members. I don't want to bother the co-chairmen, let them think about the reconvening of the PICC."

He stressed that the SNC must meet as soon as possible to discuss the urgent matter of the Cambodian credentials and seat in the UN General Assembly. "I am pondering the vacant seat option, in case the SNC first meeting cannot take place soon, but I don't want to see that kind of struggle and atmosphere of confrontation," he said.

Phnom Penh Deputy Foreign Minister Sok An said earlier yesterday that Mr Hun Sen "appealed to all his colleagues" to cooperate closely and solve these details of place, date and chairmanship so that the SNC can convene the earliest possible.

The SNC debut inside Cambodia could be complicated as Phnom Penh appeared reluctant to go into resistance-controlled areas towards the Thai border whereas the resistance still do not want to go all the way to Phnom Penh. Prince Sihanouk earlier offered Phum Seripheap (Freedom Village) opposite Thailand's Surin province and located in the so-called liberated zone as the venue. Prime Minister Son Sann of the KPNLF said yesterday that since the SNC symbolised the Cambodian sovereignty, it should meet inside Cambodia.

Another immediate question is who would chair the first session, as Prince Sihanouk has announced a six-month leave of absence from leadership. Mr. Son Sann suggested that leaders of the four parties to the Jakarta talks write to Prince Sihanouk and invite him to initiate the first SNC session. If Prince Sihanouk is sick and could not attend the meeting, he can delegate someone to chair the meeting on his behalf, Mr Son Sann said.

TASS Interviews Hun Sen

*BK1209061090 Phnom Penh SPK in English
0501 GMT 12 Sep 90*

[Text] Phnom Penh SPK September 12—Prime Minister Hun Sen on Tuesday morning granted an exclusive interview to TASS correspondent in Jakarta. Following is the text of the interview :

[Correspondent] Mr. Prime Minister, what do you think of the results of the IMC [Informal Meeting on Cambodia] and the comprehensive solution of the Cambodian problem?

[Hun Sen] The IMC has opened the way for a political settlement of the Cambodian problem. For more than two years we had worked without being able to reach any such agreement, but the latest IMC within the framework of the Paris International Conference on Cambodia (PICC) has achieved an accord and accepted the use of P-5 [permanent five members of the UN Security Council] documents as a framework for a settlement of the Cambodian issue. At the same time, the IMC has set up the SNC [Supreme National Council] to symbolise the national unity of all Cambodian parties. The meeting should be considered a very important forum leading to a political solution.

[Correspondent] What is necessary and important for a comprehensive political solution?

[Hun Sen] The first session of the SNC will deal with three questions. The first is sending a delegation of the SNC to the United Nations. This will help put an end to the dispute at the world body about Cambodia's seat. The second is enforcing a self-restraint cease-fire in conformity with the proposal of the five permanent members of the U.N. Security Council. Deputy Secretary-General of the United Nations Ahmed Rafiuddin, during a meeting with me, said the first session of the SNC must help ensure a cease-fire. The third is cutting off all military aid to the warring factions under international supervision.

[Correspondent] Do you think the cessation of military aid will help achieve a cease-fire and a comprehensive political settlement?

[Hun Sen] An eventual solution to the Cambodian problem should be obtained through free, fair, and democratic general elections which can be organized only with the enforcement of a cease-fire. Therefore, all foreign military aid must stop. It is natural that no elections can be held with continued fighting.

[Correspondent] Where will the SNC hold its first session?

[Hun Sen] The members of the SNC have not yet discussed this matter. We want to have its first session here, but some other members of the SNC have already left Jakarta. Our working group has discussed how to have a session in the earliest time possible. As for the

venue of the session, we have proposed that it could be either Jakarta, Bangkok, or Tokyo.

Also on the same morning, Prime Minister Hun Sen received Valeriy Malygin, Soviet ambassador to Indonesia; Yukio Imareza, a high-ranking Japanese diplomat and Cambodia expert; and Ahmed Rafiuddin, deputy general secretary of the United Nations. All the guests welcomed the goodwill and efforts made by the Government of the State of Cambodia for the success of the informal meeting on Cambodia. On diplomatic relations between the State of Cambodia and Japan, the Japanese diplomat spoke of an inspiring prospect.

Minister Addresses ASEAN Oil Council Meeting

BK0609114590 Jakarta ANTARA in English 0917 GMT 6 Sep 90

[Text] Jakarta, Sep 6 (OANA-ANTARA)—Coordinating Minister for Economic, Financial and Industrial Affairs Radius Prawiro expressed the hope that the ASEAN countries could adopt a united stand and a correct strategy in facing crude oil price fluctuations in the current world market due to the Gulf crisis.

Speaking before the 16th annual meeting of the ASEAN Oil Council (Ascope) here on Thursday, Radius Prawiro pointed out that the drastic changes in the world oil price which could lead to a world economic recession and a threat to global economic stability, was [as received] very difficult indeed to predict beforehand. "It is a pity that our short term steps to overcome this problem are limited, bearing no results at all", the coordinating minister stated at the meeting which was attended by chief executives of ASEAN oil companies.

Radius believed that only through dialogues, cooperation and mutual support among the ASEAN countries, long term common benefits could be brought about,

taking into consideration that within a short or medium timespan the world price of oil would not fall below 20 US dollars per barrel.

Enhancement of cooperation within ASEAN circles should also be encouraged due to the increasing dependence of the countries in the Asia Pacific region on the oil supplies from the Middle East. In 1985 for instance about 63 per cent of their oil supplies came from the Middle East, in 1995 the quantity was expected to increase to 83 per cent and in the year 2,000 to 90 per cent.

Touching on ASEAN trade cooperation, he pointed out that during 1976 through 1986 an increase was recorded of 14.1 percent, while Indonesia's imports from the other ASEAN countries in the last three years (until 1989) increased by 35 per cent.

Radius on this occasion also expressed the hope for Ascope members' cooperation in developing alternative energy resources, such as LNG [liquefied natural gas], LPG [liquefied petroleum gas], coal, geo-thermal and hydro energy in the effort to preserve crude oil energy.

Meanwhile, Pertamina's President Director Faisal Abda'oe in his address said that Pertamina hoped that the uncertainty in the crude oil price due to Gulf crisis which could endanger the world economy, could be overcome in the immediate future. Abda'oe also reminded the meeting participants that the oil industry should pay attention to the environmental and the human resources problems. Ascope was expected to enhance cooperation in the training and education of workers in the oil and gas fields.

The Ascope annual meeting which will be continued in Denpasar until September 9, was attended by chief executives of ASEAN oil companies, namely Tan Sri Datuk Azizan bin Zainal Abidin from Malaysia, Manuel A. Estrella from the Philippines, Cheng Hong Kok from Singapore, Dr. Anat Aphaphirom from Thailand and Datuk Sri Laila Jasa Awang Haji Abu Bakar bin Haji Apog from Brunei Darussalam.

Japan**More Reportage on Oil, Middle East Situation****Effect of Oil Prices Predicted**

*OW0509151790 Tokyo KYODO in English 1219 GMT
5 Sep 90*

[Text] Tokyo, Sept. 5 KYODO—Japan's strong economy is expected to achieve an inflation-adjusted annual growth rate of 4 percent in fiscal 1990, ending next March, despite rising crude oil prices and interest rates, a long-term credit bank said Wednesday.

Nippon Credit Bank predicted that the current economic strength, fueled by robust corporate capital investment and consumer spending, will more than offset the effect of the tense Middle East situation and a recent hike in Japan's official discount rate.

In an attempt to keep inflation from growing further, the Bank of Japan raised its key rate, charged on loans to private banks, by 0.75 percentage point last Thursday to 6.00 percent per annum.

The upbeat forecast stemmed from a respectable 10.9 percent year-on-year growth of corporate spending on plants and equipment and a steady 3.8 percent increase in personal consumption, led by continued brisk domestic economic expansion. The projection is based on the assumption that oil prices will average about 23 dollars per barrel in October. In the April-September period, the average oil price is estimated at around 18 dollars a barrel.

The projected hike in oil prices during the current fiscal year is expected to push down the nation's real economic growth rate by 0.3 percentage point, the bank said.

Bank economists also predicted that the inflationary pressures stemming from higher oil prices will boost overall wholesale prices by 0.3 percent and consumer prices by 0.1 percent. They said the negative effect of these increases will be offset by strong economic activity, led by domestic demand.

The economists predicted the dollar will average around 147 yen in the second half of the fiscal year, down from its 152 yen level in the first six-month period.

The yen's appreciation against the U.S. currency, they said, also is expected to help ease upward price pressures boosted by the Gulf tension.

The bank, meanwhile, predicted the economy for fiscal 1991 will grow 3.5 percent in real terms.

U.S. Charter of Ship Viewed

*OW0609184490 Tokyo KYODO in English 1248 GMT
6 Sep 90*

[Text] Tokyo, Sept. 6 KYODO—A senior Transport Ministry official said Thursday Tokyo has nothing to do

with the reported charter of a Japanese-owned vessel by the U.S. military to transport equipment and troops to the Middle East.

"It's not related at all to the package of measures the Japanese Government has pledged to support multinational forces in the Middle East," Vice Transport Minister Junji Hayashi told a press conference. Hayashi was referring to a British shipping journal report that the U.S. military has chartered a Panamanian-registered vessel owned by the Japanese shipping agent Sekihyo Line.

"Speaking of transport among third countries without calling on Japanese ports, the government cannot interfere with it as the government has no right to permit or regulate," he said.

Asked to comment on possible use of the Japanese-owned ship for transport of military supplies, Hayashi said the Japanese company in question is believed to have taken a cautious attitude toward transporting military supplies because Japanese crew members are reportedly aboard the vessel. He declined to comment further.

G-7 To Discuss Aid Plan Details

*OW0709013290 Tokyo KYODO in English 0049 GMT
7 Sep 90*

[Text] London, Sept. 7 KYODO—Financial chiefs of the Group of Seven (G-7) major industrial nations will discuss late this month details of a plan to extend economic support to countries affected seriously by the Persian Gulf crisis, Japanese Finance Minister Ryutaro Hashimoto said Thursday.

Hashimoto made the remark at a press conference following a meeting with British Chancellor of the Exchequer John Major on the last leg of his four-nation European swing.

An official accompanying Hashimoto on the tour said in Bonn on Wednesday that deputies of G-7 finance ministers and central bankers are expected to meet in Paris next week to lay the groundwork for the upcoming G-7 debate.

The finance ministers of Japan, the United States, Canada, West Germany, Britain, France, and Italy are to meet in Washington on September 22 ahead of a series of international monetary meetings there, including an annual session of the International Monetary Fund (IMF) and the World Bank opening September 25.

Japan earlier announced a 1 billion dollar aid package for U.S.-led multinational forces in the Gulf deployed after Iraq's August 2 invasion and subsequent annexation of Kuwait. Hashimoto said U.S. Treasury Secretary Nicholas Brady will not press for an additional financial contribution during a meeting between them scheduled in Tokyo for Friday.

Hashimoto agreed in principle with his counterparts of France, Italy, West Germany, and Britain during the tour that the IMF and the World Bank should play a leading role in channeling economic assistance to countries hit hard by the Gulf crisis, including Egypt, Jordan, and Turkey.

But the world bodies remain cool to the idea because of the arrears of debt repayments by these countries. The U.S. is insisting on bilateral assistance, saying using such lending agencies would take time. Officials accompanying Hashimoto said this issue will be high on the agenda of his meeting with Brady.

Resolution Urges Iraqi Withdrawal

*OW0709144890 Tokyo KYODO in English 1253 GMT
7 Sep 90*

[Text] Tokyo, Sept. 7 KYODO—The Foreign Affairs Committee of the House of Representatives adopted a resolution Friday unanimously calling for an immediate and unconditional withdrawal of Iraqi troops from Kuwait. The resolution also demanded the Iraqi Government allow foreign nationals, including Japanese, detained in Iraq and Iraqi-occupied Kuwait to leave for their home countries immediately and freely.

Iraq's invasion and annexation of Kuwait is an illegal action violating the United Nations Charter and international law and should not be permissible, it said.

The resolution called on the government to take thoroughgoing measures to help resolve the Persian Gulf crisis peacefully, utilizing the functions of the United Nations. It was the first resolution in the Japanese Parliament concerning the August 2 Iraqi invasion of Kuwait.

Support Pledged for Peace Efforts

*OW0709142490 Tokyo KYODO in English 1226 GMT
7 Sep 90*

[Text] Tokyo, Sept. 7 KYODO—Japanese Prime Minister Toshiki Kaifu told U.S. Treasury Secretary Nicholas Brady on Friday that Japan would contribute "as much as possible" to peacemaking efforts in the Persian Gulf, Japanese officials said. Japanese Foreign Ministry officials declined to give specific figures discussed in the 55-minute meeting between Kaifu and Brady.

Brady went into talks with Kaifu immediately upon his arrival from Seoul.

Asked whether Kaifu made any specific commitment, a senior Foreign Ministry official said the meeting was an exchange of views.

Brady, emerging from the session with Kaifu, told reporters that the talks were "very successful." He immediately left for two more separate rounds of talks with

Foreign Minister Taro Nakayama and Finance Minister Ryutaro Hashimoto, who also attended the talks with Kaifu.

The Foreign Ministry official, in a briefing to reporters about the outcome of the talks between Kaifu and Brady, said Brady presented a U.S. plan calling for short-term aid to Turkey, Jordan, and Egypt, and long-term aid for other needy countries affected by the Persian Gulf crisis.

Brady, Deputy Secretary of State Lawrence Eagleburger, and Undersecretary of Defense Paul Wolfowitz arrived in Tokyo earlier in the day on the last stop of a four-nation trip to seek support from U.S. allies for a 28 billion dollar burden-sharing plan to respond to the Gulf crisis.

Before coming to Tokyo, Brady traveled to Paris, London, and Seoul to seek support for U.S.-led multinational forces in the Gulf region, and raise funds for countries affected by the U.N.-approved trade embargo against Iraq and Iraqi-occupied Kuwait.

Kaifu told Brady that Japan appreciates the U.S. efforts to stop the conflict in the Gulf from spreading further.

"Japan plans to contribute as much as possible," Kaifu was quoted as saying. Last week Kaifu pledged to contribute 1 billion dollars in logistical support to the multinational forces, send a 100-member medical team, and extend economic assistance to affected countries.

An automobile carrier with a load of 800 vehicles, mostly four-wheel drives, left Nagoya Port on Thursday for Saudi Arabia as the first installment of Japanese assistance to the multinational forces.

Japanese Government ministries and agencies are now in the midst of drawing up plans to increase financial aid to Middle East countries affected by the crisis, officials said. Japan would prefer the aid burden to be shared among wealthy countries, and funneled through international agencies, they said.

The Foreign Ministry official who briefed reporters said Brady did not rule out the possibility of creating a new mechanism for long-term aid programs, but pressed for immediate assistance to the so-called frontline nations—Egypt, Jordan and Turkey.

Later, in a meeting with Foreign Minister Nakayama, Brady expressed his appreciation for Japan's contributions, Japanese officials said. It is very important that Japan is demonstrating its leadership to the world toward the restoration of peace in the Persian Gulf, the officials said.

Hashimoto, Brady Divided on Aid

*OW0709193490 Tokyo KYODO in English 1532 GMT
7 Sep 90*

[Text] Tokyo, Sept. 7 (KYODO)—Finance Minister Ryutaro Hashimoto said Friday Japan will draft measures quickly to support so-called "frontline" countries

hard hit by the economic sanctions against Iraq, ministry officials said. Hashimoto made his remarks at his two-hour meeting with U.S. Treasury Secretary Nicholas Brady, according to the officials.

The top finance official said such measures should be mapped out before an annual meeting of the International Monetary Fund (IMF) and the World Bank in Washington later this month, they said.

Brady met Hashimoto Friday night following his talks with Prime Minister Toshiki Kaifu, in which Kaifu pledged to contribute "as much as possible" to peace-keeping efforts in the Persian Gulf. But Hashimoto and Brady appeared still divided over how such measures should be carried out, notably on whether they should be done via international institutions such as the IMF and the World Bank.

Repeating remarks he made at a press conference upon his return from an eight-day trip to Europe, Hashimoto told Brady that Tokyo wants the IMF and World Bank to play a role in channeling aid to the frontline states, the officials said.

Brady reportedly said that while he acknowledges the importance of the IMF and World Bank, he is against providing the needed help via such institutions.

Tokyo was Brady's final stop on a four-day tour which earlier took him to Paris, London, and Seoul, and in which he tried to get assurances of support for U.S.-led multinational forces deployed in the Middle East against Iraq.

Trading Firms Refuse Request

OW0709144690 Tokyo KYODO in English 1219 GMT 7 Sep 90

[Text] Tokyo, Sept. 7 KYODO—Major Japanese trading firms have decided to refuse the government's call for them to use their international networks to help distribute supplies to the U.S.-led multinational forces facing Iraq in the Middle East, industry sources said Friday.

The government earlier asked private industry, including trading houses, to support the government's contribution to multinational efforts to help resolve the Persian Gulf crisis. But the major trading houses, including Mitsubishi Corp. and Mitsui and Co., basically have reached a consensus that they will not offer direct help for fear of retaliation against the Japanese being held as "human shields" in Iraq, the sources said.

The trading companies' position could mean the partial failure of the government's plan to win private-sector cooperation in Japan's efforts to support the multinational forces in the Gulf.

Both the Foreign Ministry and the Ministry of International Trade and Industry have been seeking cooperation

from private industry, saying the government's ability to help is limited by the restraints of Japan's "peace" Constitution.

The trading firms are, however, studying the feasibility of cooperating with a government call that they use their distribution networks in the Middle East to procure and transport supplies to the so-called frontline countries of Turkey, Jordan, and Pakistan. According to the sources, the trading firms appear likely to accept this request as long as their contribution is considered nonmilitary.

Oil Price Increases Approved

OW0709153490 Tokyo KYODO in English 0911 GMT 7 Sep 90

[Text] Tokyo, Sept. 7 KYODO—The government Friday decided to give the green light to oil companies' plans to raise the prices of their products in view of the surge in crude oil prices since the Persian Gulf crisis began, government officials said.

The cabinet meeting approved the scheme of the Ministry of International Trade and Industry (MITI) to issue official notification to oil suppliers and retailers, calling on them to limit the price hikes to a minimum. MITI immediately issued the notification, which it views as a virtual official nod to "reasonable" price increases the oil companies claim are inevitable.

The government's endorsement of the notification paved the way for the major oil suppliers' long-expected price hikes, as early as next week, by about 10 yen per kiloliter.

The administrative guidance will request oil companies to make further streamlining and belt-tightening efforts to absorb as much of the run-ups in costs as possible, and to avoid price hikes that could be viewed as a move to jump on the rising-costs bandwagon.

MITI will require 12 major oil suppliers to report every month on the fluctuations in costs to evaluate the cost factors that should be reflected in prices, ministry officials said. The notification will also tell the firms to strive to win the understanding of the people for the raises, they said.

Although oil product prices are not subject to any legal monitoring by the government as public utility charges are, the MITI notification is expected to serve as an effective brake on oil companies' moves to raise prices.

Kenjiro Ogata, director general of the Agency of Natural Resources and Energy, told a press conference that the agency is quite confident that oil suppliers will toe the MITI line. "I firmly believe they will get the message, and act accordingly" he said.

He said MITI will start accepting the reports from oil suppliers about the changes in costs next week, which will most likely precede the announcements of price increases.

The government's go-ahead came after a three-day delay as MITI's original plan to issue the notification on Tuesday was aborted by the objections from some cabinet ministers.

At the Tuesday cabinet meeting, some ministers questioned the MITI step, arguing that price hikes should not be permitted while there are huge amounts of oil stocks that were piled up when oil prices were much lower.

They also criticized the way oil companies handle their stocks, called the "last in first out" (LIFO) system, under which the latest items bought are sold first, thereby shifting the fluctuations of costs into prices immediately.

Agriculture, Forestry, and Fisheries Minister Tomio Yamamoto, acting for MITI head Kabun Muto who is on a trip to Europe and Canada, explained the MITI position at the cabinet meeting and obtained approval from the other members. Yamamoto said the oil reserves are intended to secure a supply of oil when Japan cannot import what it needs. It is inappropriate to tap into the reserves only to contain rising oil prices, he reportedly said.

Yamamoto also defended the LIFO stock-keeping system, which many oil companies first adopted during the recent slump in the oil market to make it easier for them to cut oil prices. Yamamoto said the government should not intervene in the domestic oil market, which is operating under free market principles.

The cabinet members who had opposed to the MITI measure in Tuesday's meeting grudgingly conceded Yamamoto's points. But they were adamant that it is vital for the government to crack down on any price gouging using the Gulf crisis as a pretext. They also demanded that MITI should ensure that oil suppliers will lower prices as soon as crude oil prices drop.

During the debate, Prime Minister Toshiki Kaifu said, "Measures should be taken to make oil companies' efforts known to the public." He told the ministers concerned to take every possible step to forestall unreasonable price hikes, the MITI officials said.

Creation of UN Corps Proposed

*OW0709194290 Tokyo KYODO in English 1642 GMT
7 Sep 90*

[Text] Tokyo, Sept. 7 (KYODO)—Chief Cabinet Secretary Misoji Sakamoto called Friday for the establishment of a "peace cooperation corps" to back up the United Nations' peacekeeping and peacemaking efforts. The top government spokesman proposed the idea in an NHK TV talk show, videotaped Friday.

Sakamoto said there has been criticism both at home and abroad of Japan's inability to send even noncombatant Self-Defense Forces (SDF) personnel overseas.

Sakamoto was referring to the idea of a "United Nations peace cooperation law" which Prime Minister Toshiki

Kaifu proposed last week when he unveiled a package of nonmilitary assistance to the multinational force in the Persian Gulf.

The government is studying how to draw up a bill for such a law while listening to public opinion on the matter and considering the sentiments of Japan's neighbors, Sakamoto said. He indicated that the government is mulling incorporation of the dispatch of noncombatant SDF officials such as medical officers as part of a "U.N. peace cooperation law."

Sakamoto said it is better to formulate such a law without revising the Self-Defense Forces law, which does not contain any provision allowing for combat non-combatant SDF personnel.

Medical Advance Party To Leave

*OW0709063290 Tokyo KYODO in English 0550 GMT
7 Sep 90*

[Text] Tokyo, Sept. 7 KYODO—An advance party will leave for Saudi Arabia in mid-September to prepare for the dispatch of Japanese medical teams to support the U.S.-led multinational forces stationed there, the government said Friday. The 10-member advance party will stay in Saudi Arabia for about one month to survey how Japan can best assist medical operations in case of conflict.

The medical teams will provide "humanitarian assistance" and will not be sent to the front line or field hospitals if a war starts, the government said in its first description of the role of Japanese nationals in the Persian Gulf crisis.

The advance party is expected to depart around September 19, Health and Welfare Minister Yuji Tsushima indicated. In a brief 10-point outline, the government said the medical teams' duties would include assisting war casualties and refugees in Saudi Arabia and other countries bordering the conflict area.

The announcement comes as the government is studying whether Japan's laws may be interpreted to permit sending members of the Self-Defense Forces (SDF) overseas. Japan's war-renouncing Constitution and laws have been widely interpreted as banning the dispatch overseas of SDF personnel.

Prime Minister Toshiki Kaifu said last week that Japan will send 100 medical professionals to the Persian Gulf. The teams are to serve in urban hospitals for one month, with the possibility of extending their stay, the government said. Doctors and technicians are being recruited from national and university medical institutes. They will serve under the direction of the Foreign Ministry.

JSP Opposes Any SDF Dispatch

OW0709142290 Tokyo KYODO in English 1115 GMT
7 Sep 90

[Text] Tokyo, Sept. 7 KYODO—Japan Socialist Party [JSP] Chairwoman Takako Doi said Friday her party is opposed to any changes to laws which would enable Japan to dispatch its Self-Defense Forces [SDF] personnel, even noncombat ones, to the Persian Gulf.

The leader of Japan's largest opposition party was speaking in an interview with reporters marking the fourth anniversary of her assuming the party's top post. She became chairwoman September 8, 1986.

Doi said the JSP also opposes Japan's financial aid to the U.S.-led multinational forces sent to the Gulf after Iraq's invasion of Kuwait on August 2. Japan should contribute toward a peaceful solution of the Gulf crisis within the framework of the United Nations, Doi said.

The government of Prime Minister Toshiki Kaifu announced last week that Japan will extend 1 billion dollars in assistance to the multinational forces. The government also promised last week to send a 100-member medical team to the Gulf and provide economic assistance to Jordan, Egypt, and Turkey.

The sending abroad of SDF personnel, both for combat and noncombat purposes, is banned under the Constitution and the SDF law.

Turning to domestic political affairs, Doi said the JSP will continue to push for the scrapping of the indirect tax, imposed on almost all types of goods and services in April 1989, Doi said.

She also said the JSP remains opposed to a proposed change in the electoral system for the House of Representatives. The Election System Council, a government advisory body, has called for the introduction of a single-seat constituency system combined with a nationwide proportional representative constituency. "This kind of system would not reflect the will of the Japanese people," Doi said.

Second Program Installment Noted

OW1109061490 Tokyo KYODO in English 0531 GMT
11 Sep 90

[Text] Tokyo, Sept. 11 KYODO—Japan will unveil later this month the second part of its program to help resolve the Persian Gulf crisis, the top government spokesman said Tuesday. Asked about Japan's response to pressure by the U.S. Congress to give more money to help resolve the Gulf crisis, Chief Cabinet Secretary Misoji Sakamoto told reporters to expect a second installment in time for Prime Minister Toshiki Kaifu's September 29-30 visit to the United States.

At the end of August, Kaifu said the Government will allocate 1 billion dollars for logistical support for the U.S.-led multinational forces in the Persian Gulf.

Sakamoto said Japan's aid plan would be "in line with" a proposal made by U.S. Secretary Nicholas Brady, who visited Japan last Friday on a four-nation fund-raising trip. Brady reportedly asked Japan to provide 2 billion dollars in aid to Egypt, Jordan, and Turkey.

The new aid is expected to include assistance programs to Middle East countries hit by economic sanctions imposed on Iraq and Iraqi-occupied Kuwait.

Sakamoto appeared reluctant to support a U.S. proposal to fortify a sea blockade against Iraq with a blockade of air transport. He said an air blockade does not come within the area of international cooperation Japan is aiming at. U.S. Secretary of State James Baker raised the issue of an air blockade at a meeting of the North Atlantic Treaty Organization (NATO) on Monday.

Foreign Ministry and Defense Agency officials have been looking at models for the peace cooperation team based on similar, standing forces maintained by Western nations for participation in U.N. peacekeeping operations. But a top government official later Tuesday objected to the permanent posting of SDF [Self-Defense Forces], government and other personnel to the team and recommended a registration system instead.

"There will have to be training (of the force) but when nothing is happening, it isn't needed," the official said. Combining periodic training with the registration system would allow members to remain in their original SDF, government and private positions until the need for their dispatch arose, he said.

The senior official suggested the peace team could be established under the auspices of the cabinet, adding that many options were open besides Foreign Ministry or other agency affiliations.

Measures to ensure a private-sector role in supporting the peace cooperation team were also needed in any proposed law, which should be submitted to an extraordinary session of the Diet in time for Kaifu's late September visit to the United States, he said.

USSR Reportedly To Tackle Territorial Dispute

OW0709194090 Tokyo KYODO in English 1544 GMT
7 Sep 90

[Text] Moscow, Sept. 7 (KYODO)—The Soviet Union will tackle a territorial dispute with Japan in a positive manner, departing from its past official stance that no territorial issue exists between the two countries, a senior Soviet Communist Party official was quoted as saying Friday.

Gennady Yanayev, a member of the party's Politburo, made the remarks at a meeting Thursday with a mission of the Special Committee on Okinawa and Northern Problems of Japan's House of Representatives, led by its chairman Tetsu Ueda. Yanayev told the delegation that the Soviet Union has been saying "no" whenever the

problem is taken up and that he himself has been embarrassed whenever he repeated the stance.

Yanayev, who is responsible for international affairs, was also quoted as saying President Mikhail Gorbachev will not be shocked if the territorial issue is discussed when he visits Japan next April. The Soviet Union previously refused visits by delegations of the Japanese Lower Chamber committee, saying there was nothing to discuss as no territorial issue exists between the two countries.

Ueda, a member of the No. 1 opposition Japan Socialist Party, told reporters that the visit by the delegation means the opening of a wide dialogue on the territorial dispute which goes beyond diplomatic channels to include public and parliamentary-level contacts.

Yanayev expressed agreement with Ueda, delegation officials said.

Japan has long called for the return of four islands off Hokkaido—Kunashiri, Etorofu, Shikotan, and the Habomais—which were occupied by the Soviet Union at the close of World War II and are collectively called the “northern territories” in Japan.

Official Rebuts Shevardnadze on Territory Issue

OW1209103790 Tokyo KYODO in English 1019 GMT 12 Sep 90

[Text] Tokyo, Sept. 12 KYODO—A top Foreign Ministry official Wednesday rebutted Soviet Foreign Minister Eduard Shevardnadze's apparent indication in Moscow that Japan has agreed that 10 years is a suitable length of time in which to resolve the two countries' territorial dispute.

“Japan's position is the Soviets should resolve the territorial problem as early as possible so that the decade ahead can be devoted to a great expansion of Japan-Soviet ties,” the official said.

“Japan expects the Soviets to seriously tackle the territorial problem in order to make the visit next spring by Soviet President Mikhail Gorbachev an occasion for a drastic improvement in bilateral ties,” he said.

Shevardnadze, addressing the Supreme Soviet on Tuesday, reportedly said Japan has agreed with a Soviet proposal for working toward a new relationship by the beginning of the 21st century.

“It's not exactly clear to us what he meant,” said the top official. “But if he was saying Japan agrees on the peace treaty process taking another 10 years, this of course has no foundation in fact.” Japan insists that, before a peace treaty with Moscow can be concluded, the Soviets must agree to return a group of islands off Hokkaido that they seized from Japan at the end of World War II.

Meanwhile, Shevardnadze was quoted by the official Soviet news agency TASS as telling reporters in Moscow

on Sunday that Japan has finally begun to realize that the territorial issue “cannot be resolved at once and a peace treaty cannot be signed in a year.”

Sakhalin Mission Returns Soldiers' Remains

OW0709193890 Tokyo KYODO in English 1515 GMT 7 Sep 90

[Text] Tokyo, Sept. 7 (KYODO)—Japan will dispatch a mission to the Soviet island of Sakhalin later this month to repatriate the remains of Japanese soldiers killed in battles with Soviet Troops near the end of World War II, officials said Friday.

The 10-member Japanese team will be comprised of officials from the Foreign Ministry and the Ministry of Health and Welfare, former soldiers who guarded the frontier, and representatives of a bereaved families' association. They will leave Niigata on September 17 for Sakhalin via Khabarovsk and will return home September 24, officials said.

The southern half of Sakhalin was Japanese territory until the end of the war and there were some 390,000 Japanese residents and 19,000 Japanese troops there at the time. The Soviet Union seized the southern half of the island after the war.

Soviet officials will deliver the remains to the Japanese side at Smirnykh, called Kiton under the Japanese rule, to be cremated there, Japanese officials said, adding that the ashes will be enshrined at the Chidorigafuchi Memorial to the war dead in Tokyo.

Remains of nearly a score of persons, believed to have been Japanese soldiers, were discovered by the Soviets last year at a point some 20 kilometers north of Smirnykh, scene of a fierce battle between Japanese and Soviet troops shortly before Japan's surrender to the allied powers in August 1945, officials said.

According to Japan's Sakhalin veterans' group, an estimated 200 Japanese soldiers among the total 500 soldiers killed in Sakhalin were killed at the spot.

Meanwhile, on Friday, another mission dispatched by the Japan Socialist Party's [JSP] Hokkaido branch to collect remains, handed over four sets of remains of Japanese soldiers brought back from Sakhalin to the health and welfare ministry.

The JSP mission was in Sakhalin between August 15 and 19, and also brought back 48 items of personal belongings including imperial army helmets and other gear, which were among many things discovered at the 1945 battlefield.

Kaifu Supports Sending Minister to Asian Games

OW0609142490 Tokyo NHK General Television Network in Japanese 1000 GMT 6 Sep 90

[Text] Former Deputy Prime Minister Shin Kanemaru telephoned Prime Minister Kaifu today to report on his

visit to China. He asked the prime minister to send Education Minister Hori to the Asian Games opening ceremony in Beijing. The prime minister indicated his support for the idea.

In the telephone conversation, Mr. Kanemaru reported on his meetings with Chinese officials, including President Yang Shangkun, and said he told the Chinese officials that he hoped Education Minister Hori would attend the Asian Games opening ceremony on 22 September. Mr. Kanemaru asked the government to cooperate in realizing Education Minister Hori's visit to China. In response, the prime minister thanked Mr. Kanemaru, indicating his support for the idea of sending the education minister to China.

Meanwhile, Sun Pinghua, president of the China-Japan Friendship Association who is visiting Japan, met today with Mr. Ozawa, general secretary of the Liberal Democratic Party, and requested that Japan resume ministerial level exchanges. Mr. Ozawa responded positively, noting that former Deputy Prime Minister Kanemaru indicated in China that Education Minister Hori would be sent to attend the Asian Games opening ceremony. There has been no exchange of cabinet ministers between Japan and China since the Tiananmen incident last summer. The government, from the position of attaching importance to Japan-China relations, is expected to make a quick decision on the matter.

Ichiro Ozawa Meets With ROK Parliamentarian

OW0609141590 Tokyo KYODO in English 0630 GMT 6 Sep 90

[Text] Tokyo, Sept. 6 KYODO—One of the three co-leaders of South Korea's ruling Democratic Liberal Party called on Thursday for an early end to the last lingering remnant of the cold war on the Korean peninsula, Japanese political sources said. Pak Tae-chun made the remarks during a meeting with Ichiro Ozawa, secretary general of Japan's governing Liberal Democratic Party (LDP) at the LDP's headquarters in Tokyo.

Pak is visiting Japan to attend a general meeting of the Japan-South Korea and South Korea-Japan Parliamentarians' Leagues, which was held Thursday.

Pak told Ozawa it is no easy task to ease political confrontation on the peninsula. But he added that it was significant that North Korean Prime Minister Yon Hyong-muk had crossed the border for the first visit of its kind since Korea was divided in 1945.

Yon arrived in Seoul on Tuesday on a four-day visit for talks with his South Korean counterpart Kang Yong-hun.

"I understand your hardships, but expect you to continue further efforts to attain the final goal," of peaceful reunification of the two Koreas, Ozawa was quoted as saying.

Pak also asked Ozawa to visit South Korea officially some time, the sources said.

Panel Urges Better Financial Infrastructure

OW0709153690 Tokyo KYODO in English 0810 GMT 7 Sep 90

[Text] Tokyo, Sept. 7 KYODO - Japan should step up efforts further to make its financial market more international by diversifying its investment tools and fundraising channels, a report released Friday said.

The report, compiled by an 11-member advisory panel commissioned by the Economic Planning Agency (EPA), recommended Japan improve its financial infrastructure to help boost the Tokyo financial market's function as one of the three leading world financial centers.

The panel, led by Keimei Kaizuka, a professor of economics at the University of Tokyo, said rapid changes in the manner of global financial transactions call for further liberalization of the nation's under-supplied short-term money market by letting treasury bills (T-bills) play the chief role in expanding the scale of the market.

The Bank of Japan currently appears to prefer extending direct loans to major Japanese financial institutions to issuing T-bills or short-term government securities when injecting funds into the market. But in a recent series of U.S.-Japan financial talks, the United States argued that these loans, often extended at below-market rates, are virtually a subsidy to Japanese banks by the government, blocking foreign access to cheaper money.

Foreign banks operating in Japan have been pushing for an easing of restrictions in the money market to allow access to less expensive funds as they are currently raising funds from the noncollateralized call money market, as well as converting Eurodollars into yen-denominated currencies to manage funds in certificates of deposit (CDS), Euroyen, and bills.

The recommendation by the panel, which included academics and business leaders, was basically in line with the view put in a similar report submitted earlier by another panel calling for a package of measures giving foreign concerns more access to the yen-denominated money market.

The comprehensive report also urged that Japan ease issuing requirements for corporate bonds to enable more companies to float bonds, both domestically and abroad. The panel recommended further deregulation in particular on issuing rules for ordinary corporate bonds, pointing to potential risks in equity-linked financing now popular among Japanese companies.

The panel members noted that such deregulation could be expected to make it easier for small and medium-sized companies to issue corporate bonds. At present, companies that issue unsecured ordinary bonds and unsecured bonds with equity-purchase warrants are

required to have a rating above double-A or net assets of more than 33 billion yen and a single-A rating before they can issue the bonds.

The government is expected to review the standards by the end of this year, according to financial sources.

The panel cautioned against the possible adverse impact on the stock market of Japanese firms' excessive dependence on equity-linked financing, saying it could exacerbate market volatility in the event of plunges in stock prices. The members also warned in the report that equity-linked financing that involves issuing new convertible bonds (CBS) and warrant bonds (WBS) might not always act as a stable supply source for funds as it is closely linked to the market.

Tokyo Stock Exchange (TSE) data shows there were 2,800 CB and WB issues at the end of February this year that have a latent possibility of being converted into real shares listed on the TSE when investors move to execute their right to buy stocks.

When holders of these issues exercise their right, 22,941 million shares, or 7.2 percent of total shares listed on the TSE, are to be additionally increased, worsening the supply-demand balance in the stock market, the report pointed out.

The report also called for fundamental tax reforms to bring the tax system more closer in line with international standards as part of measures to enhance the attractiveness of the Tokyo financial market.

Mongolia

Byambasuren To Form Coalition Government

OW1209095090 Ulaanbaatar International Service
in English 0910 GMT 12 Sep 90

[Text] New head of the Mongolian Government Dashiyn Byambasuren held a press conference in Ulaanbaatar for Mongolian and foreign journalists. He stated that his cabinet will include representatives of all political parties, including the Mongolian Green Party which failed to get any seat in the People's Great Hural.

Mr. Byambasuren defined a transition to market relations, immediate settlement of joblessness in the country, and improvement of living standards of roaming inhabitants and low income families as the priority trends of his cabinet.

Concerning foreign economic activity, he assessed particular significance to the perfection of cooperation mechanism, above all, with Mongolia's two neighbors—the Soviet Union and China—under the principles of equality and mutual benefit.

Byambasuren Backs Market Economy, Investment

OW1109141090 Tokyo KYODO in English 1344 GMT
11 Sep 90

[Text] Ulaanbaatar, Sept. 11 KYODO—Mongolia's newly named prime minister, Dashiyn Byambasuren, said Tuesday his country will start introducing a market economy next year and called for investments by Western industrialized nations to help promote economic development.

The premier, who was appointed to the post at the People's Great Hural, the supreme legislative body, on Monday, told a press conference that he wants to boost Mongolia's economy "to South Korea's present level, in 10 years." Mongolia will gradually introduce a market-oriented economy from 1991, Byambasuren said. He said his country will seek to achieve this goal by utilizing its natural resources and with the help of investments by Western nations and the assistance of international economic organizations.

On the problem of accumulated debts to the Soviet Union, which amount to 5.7 billion dollars, he said the government wants to have more negotiations with Moscow on the issue. Byambasuren, however, said the actual amount of these Mongolian debts to the Soviet Union need to be recalculated and must be "much smaller." He said "some of the Soviets' projects here cost too much and their efficiency is extremely low." The Soviet Union has said it will postpone until the year 2000 the deadline for repayment of the debts, which pose a major stumbling block to Mongolia's economic rehabilitation efforts.

P. Ochirbat on Reform, Ties With USSR, PRC

OW0509140290 Ulaanbaatar International Service
in English 0910 GMT 4 Sep 90

[Report on Mongolian President Punsalmaagiyn Ochirbat's address to the nation following his swearing in on 4 September; from the "Society Magazine" program]

[Text] In this complicated period of the country's life, I am being entrusted particular responsibility for its fate, and I solemnly declare to devote all my knowledge and experience to justify the people's trust, says Mr. Ochirbat. Today we are confronting a very complicated and responsible period of getting the country out of the critical situation and putting it on the proper road of progress and development. I hope we will succeed in this noble cause as we broadmindedly pool our efforts. This very goal and this very task, I am confident, will be the kernel of my activity as the president, notes Mr. Ochirbat.

I deem it most important to assert with practical deeds new (?stresses) of the law-governed state and ensure stable and concerted functioning of legislative, executive, and juridical bodies. Let us form a government (?capable of functioning) [words indistinct] and reasonably and let us provide it with every opportunity to exercise all its legislative powers. But I think it my

presidential duty to ask for and control the strict observance of the principled guidelines fixed by the People's Great and Small Hural.

Mr. Ochirbat defined as the state policy a steady increase in social production on the basis of the national material and spiritual wealth, traditions, and customs; immediate transition to market economy taking good advantage of the international division of labor; proper settlement of the problem of prices and property; promotion of individual production; and raising [words indistinct] in the national economy. The president noted it imperative to steadily increase the minimum per capita income, pension, and different allowances and increase state and branch allowances destined for the settlement of social problems. Of particular importance for Mongolia is to heighten mother and child and youth care, he noted. The president has defined it a very important task to settle the problem of joblessness, particularly among youths, by creating new work places, expanding production and service, and by means of encouraging lease contracts and individual labor.

It is required to take large-scale measures in promoting the rich national culture and art traditions and provisions of preserving the nature and the environment. It is a matter of [words indistinct] to express the right of the nation to (?confirm their fate), underlined the president.

President Ochirbat said that national security means political stability and the people's tranquillity, peaceful borders, effective foreign trade and economic relations, and stable cooperation with other nations. He noted the significance of developing friendly, just, and equitable relations with any nation, especially with Mongolia's great neighbors, the Soviet Union and China. Mutually beneficial political, trade, economic, and cultural cooperation with all nations around the world, particularly in the Asia-Pacific region, and membership in the Non-aligned Movement will surely meet the vital interests of the Mongolian people, noted the president.

Mongolia, as the native land of nomadic civilization, has its own specific way of progress. [Words indistinct] (?real definition of this goal) and reasonable management will greatly tell the future destiny of the Mongolian nation. In the course of changing the old and building the new, we must cherish the national unity, and then we will truly survive any task of life. Our own effort is what is needed first to build our future. The times of relying on others aid are over. President Ochirbat said he intends to institute a presidential consultative chamber called upon to regulate the state policy and coordinate the activity of supreme state and government bodies. He also proposed to establish a presidential civil council including representatives of all parties, political unions and associations, and traditional public organizations as well as a scholarly council.

In conclusion, Mr. Ochirbat noted that the time will not wait and there will be no (?pardon if we lose the time)

while opposing each other instead of doing useful and practical things on the basis of mutual understanding.

Hural Approves Resolution on Forming Committees

*OW1109131490 Ulaanbaatar International Service
in English 0910 GMT 11 Sep 90*

[Text] At the ongoing session of the People's Great Hural, deputies have approved the resolution on the formation of standing committees of the People's Great Hural. There have been formed five permanent committees under authority of deputies on human rights and national questions, on nature and environmental protection, on labor demography, on public health protection, and on defense and state security. These committees number 15 to 21 members instead of the previous 30. According to the resolution, chairman of the People's Great Hural observes the right to form, if necessary, working groups of deputies on other questions.

People's Great Hural Session Ends 11 Sep

*OW1209103490 Ulaanbaatar International Service
in English 0910 GMT 12 Sep 90*

[Text] The first session of the People's Great Hural of Mongolia ended in Ulaanbaatar on Tuesday evening. The discussion of the 12-point agenda of the session completed with the election of 36-year old (Bahdul) as procurator general and 38-year old Dashdemberel as chairman of the Supreme Court of Mongolia. The session resolved to keep functioning the People's Auditing Committee until new forms of people's control are established at the first session of the state Small Hural that will open soon.

The bulk of deputies protested against the formation of a commission on constitutional control. The session also was told (?of) the staff of the Mongolian parliamentary group with the leader of the Mongolian Democratic Union Dзориг as its chairman.

International Conference Views Economic Issues

*OW0609145390 Ulaanbaatar International Service
in English 1200 GMT 6 Sep 90*

[Text] An international conference on management, development and economic [word indistinct] is going on at the Institute of Management and Development at the Mongolian Council of Ministers. It is being attended by experts of 20 countries involved in the UN project on rendering assistance to Mongolia. The countries are to discuss issues related to the perfection of finance and bank system, national forms (?associated with) management, as well as some aspects of Mongolian [words indistinct] economic policy.

Trade Union Group Approves Draft Pension Law

*OW1109135390 Ulaanbaatar International Service
in English 0910 GMT 11 Sep 90*

[Text] The trade union organization of Mongolia, at its presidium meeting, has in principle approved a draft law on pensions. However, it adds some suggestions, including that the pension fund should be formed of budget means only but not of taxes from the population (?with) a social insurance fund. It has also proposed to fix lower pension age for some categories of workers, but this would not tell on the size of pension. It is also envisaged to increase allowances for joblessness and invalidity [as heard] as well as increase minimum pension up to 230 as against the present 180.

The presidium also considered that the privileges and pensions for servicemen, granted to miners, cattle breeders in remote pastures and [word indistinct] must be preserved.

North Korea

Liaison Official Proposes N-S Contact on UN

*SK1209044690 Pyongyang KCNA in English 0435 GMT
12 Sep 90*

[Text] Pyongyang September 12 (KCNA)—Choe Pongchun, chief liaison official of the North side of the delegation to the inter-Korean high-level talks, today sent a telephone message to his counterpart of the South side Kim Yong-hwan.

In the message he proposed that a contact between chief liaison officials be held at the Tongil House in the northern portion of Panmunjom at 10:00 September 13 (Thursday) to discuss matters of working formalities related to a debate between delegates to the North-South High-Level Talks on the U.N.-related question as agreed upon at the first inter-Korean high-level talks.

Newspaper Condemns South's One-Party Assembly

*SK1209044190 Pyongyang KCNA in English 0416 GMT
12 Sep 90*

["One-Party "National Assembly" Must Be Dissolved"—KCNA headline]

[Text] Pyongyang September 12 (KCNA)—NODONG SINMUN today comments on the 151st "regular National Assembly session" singly convened by the "Democratic Liberal Party" (DLP) clan in South Korea on September 10.

Noting that the "DLP," a group of ignorant political rogues, intends to hold unilaterally the "regular National Assembly session" with the aim of using the puppet National Assembly as a theatre for its one-party show, as a foothold for its long-term office, the news analyst says:

Only under the colonial fascist dictatorial system as in South Korea without an equal in the world is it possible for the ruling party to singly convene and hold a "regular parliamentary session" without a single opposition lawmaker in attendance, a land where "parliamentary democracy" under the "multi-party system" is claimed to be in force. This shows that No Tae-u's "DLP" group is a pack of political hooligans dead set against democratic politics and that the South Korean "National Assembly" is nominally and virtually a theatre for the one-party dictatorship of the "DLP," a theatre for the one-party show of political gangsters who turn their back on the people's will.

While resorting to the more heinous fascist dictatorial rule, the No group is trying to bring a period of more bloody political darkness than under the "yusin" dictatorship or under the dictatorship of the "Fifth Republic" and thus defuse the colonial ruling crisis and gratify its ambition for long-term office.

Although the No group engages itself in one-party show in the "National Assembly" in an effort to remain long in power, the South Korean people will never recognize any thing "carried" there.

The No group must give up its foolish political acts, immediately dissolve the "one-party National Assembly" which has turned into a graveyard of parliamentary politics and step down.

U.S. Accelerating 'War Preparations' in Gulf

*SK1109122390 Pyongyang Domestic Service in Korean
1100 GMT 11 Sep 90*

[Text] According to news reports, on 6 September U.S. Secretary of Defense Cheney, speaking in the Strategic Institute of the U.S. Congress, said that the United States has deployed 100,000 troops in the Gulf region.

According to what has been revealed by U.S. Defense Department officials, about 70,000 U.S. troops are stationed in Saudi Arabia.

By the first week of October, the number of U.S. troops to be stationed in the Gulf region will have been increased to 150,000. Also deployed in the Gulf region are about 50 U.S. warships, including three aircraft carriers with 5,000 crew aboard each.

Meantime, thirteen U.S. [word indistinct] are deployed in the eastern province of Saudi Arabia and another two medical ships are in a combat ready position in the Gulf waters.

All facts clearly show that the U.S. imperialists who are enthusiastic about their armed intervention maneuvers in the Gulf region are openly accelerating war preparations.

Moscow Celebrates DPRK Founding Anniversary*SK1109073390 Pyongyang Domestic Service in Korean
2300 GMT 7 Sep 90*

[Text] Soviet social circles met at Friendship Hall in Moscow on 6 September to mark the 42d anniversary of the founding of the DPRK. Placed in the forefront of the meeting site were Korean and Soviet flags and a slogan reading "Long live the immortal friendship and cooperation between the Soviet and Korean people" which was written in Korean and Russian.

The meeting was attended by (?Rivu Sharin), acting chairman of the Committee of National Defense and National Security Affairs of Supreme Soviet of the USSR; responsible functionaries from the Soviet-Korean Friendship Society Central Committee and the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries; and representatives from the CPSU, the Ministry of Foreign Affairs, public organizations, and working people's organizations in Moscow. Kim Hui-su, charge d'affaires ad interim of our country to the Soviet Union; and embassy staffers were invited to the meeting.

The meeting began with the playing of the anthems of our country and the Soviet Union. Aleksandr Biryukov, vice chairman of the Soviet-Korean Friendship Society Central Committee; and our country's charge d'affaires ad interim both spoke at the meeting.

In his speech Vice Chairman Aleksandr Biryukov said that the founding of the DPRK on 9 September 1948 was an important historic event in the struggle to achieve national and social liberation and to build a socialist society and indicated: The working people in the DPRK have been carrying out socialist construction even under the complicated condition in which the country has been divided.

In the past tens of years the working people in the DPRK have changed the land of Korea beyond recognition through their devoted labor while surmounting all sorts of difficulties and built a socialist state with modern industry and agriculture and developed science and culture.

He said that today the DPRK has maintained diplomatic relations with numerous countries in the world and has occupied a dignified position in the international arena by actively participating in the functions of authoritative international organizations.

Referring to the reunification question of Korea, he said that with the interests of all of the Korean people as its principle, the DPRK Government has stubbornly struggled to alleviate military and political tension on the Korean peninsula, to settle the Korean question in a peaceful way without foreign interference, and to develop dialogue between the North and the South.

He also said that the North-South High-Level Talks are a result of the consistent practical measures by the

DPRK and continued: We hold that the Korean people should settle their national problems independently free from foreign interference and can settle them. The DPRK has already declared its territory, in essence, as a nuclear-free zone. Now it is Seoul's and Washington's turn. We will invariably adhere to our line of supporting the DPRK in realizing the reunification cause of Korea.

Referring to the friendly relations between the two countries, he said that the Soviet people and the DPRK people have advanced along the road of socialism hand in hand for tens of years and stressed that the Soviet-Korean friendship is an immortal asset.

After the meeting, art performances were given by Soviet artists.

PRC Leaders Send Greetings to Kim Il-song*SK1109075190 Pyongyang Domestic Service in Korean
1200 GMT 8 Sep 90*

[Text] On the occasion of the 42d anniversary of the founding of the DPRK the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the DPRK; and Comrade Yon Hyong-muk, premier of the State Administration Council, have received a message of greetings from party and state leaders of the PRC. The message of greetings reads:

Pyongyang

Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK

Comrade Yon Hyong-muk, premier of the DPRK State Administration Council

On the occasion of the 42d anniversary of the founding of the DPRK, we, on behalf of the CPC, the Chinese Government, and the Chinese people, extend the most fervent congratulations of a festive day to you and, through you, to the WPK, the Korean Government, and the fraternal Korean people. The birth of the DPRK shows that the Korean people put an end to the old history of infringement and slavery forced by imperialism and opened a new epoch in which they have become the master of the country.

In the past 42 years the fraternal Korean people have victoriously defended the independence and sovereignty of the country by bravely repulsing the aggression and interference of imperialism and have constantly attained new successes in the revolution and construction, firmly advancing along the road of socialism under the leadership of President Kim Il-song and the WPK.

The party and Government of Korea have made important contributions to preserving peace in Asia and the world by consistently pursuing the foreign policy of independence, peace, and friendship.

The Chinese people sincerely rejoice over the brilliant achievements attained by the fraternal Korean people in various fields and sincerely wish the Korean people new and greater successes in their socialist revolution and construction in the future.

It is the supreme national desire of the Korean people to achieve reunification of the country at the earliest possible date. The party, government, and people of China have invariably supported the just struggle of the party, government, and people of Korea to achieve the independent and peaceful reunification of the country and resolutely hold that the reunification question of Korea should be settled by the Korean people themselves through dialogue and negotiations free from foreign interference.

We are convinced that the Korean people will push aside all sorts of obstacles and achieve their long-cherished national desire to reunify the country in a peaceful way.

The party and Government of China greatly treasure Chinese-Korean friendship and will as always make all possible efforts to strengthen and develop the relations of Chinese-Korean friendship.

We sincerely wish that Sino-Korean friendship forged in the common struggle will go down through generations and shine forever.

Jiang Zemin, general secretary of the CPC Central Committee; Yang Shangkun, president of the PRC; Wan Li, chairman of the Standing Committee of the National People's Congress of the PRC; Li Peng, premier of the State Council of the PRC

8 September 1990, Beijing

PRC Group Hosts Banquet To Mark Anniversary

*SK1209022190 Pyongyang Domestic Service in Korean
1300 GMT 8 Sep 90*

[Text] On the occasion of the 42d anniversary of the DPRK founding, the Chinese People's Association for Friendship with Foreign Countries and the China-Korea Friendship Association arranged a banquet in Beijing on 7 September.

Pae Yong-chae, minister of our embassy in Beijing, and embassy staff members were invited to the banquet.

Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries; Qi Huaiyuan, vice minister of foreign affairs; Zhu Shanqing, deputy head of the International Liaison Department of the Central Committee of the Communist Party of China; Li Lanqing, vice minister of foreign economic relations and trade; Zhou Wenyuan, deputy director of the General Political Department of the Chinese People's Liberation Army; Gao Yunjia, assistant minister of culture; Huang Shiming, vice president of the Chinese People's Association for Friendship with Foreign Countries; Yue Xin,

vice president of the China-Korea Friendship Association; and other officials attended the banquet.

President Han Xu and Minister Pae Yong-chae spoke at the banquet.

In his speech, President Han Xu praised the Korean people for their shining achievements in the socialist revolution and construction over the past 42 years under the leadership of the Workers Party of Korea [WPK], headed by the great Comrade Kim Il-song. He sincerely wished the fraternal Korean people newer and greater victories in the construction of the fatherland in the future.

Touching on the question of the fatherland's reunification, he said that it is the most urgent desire of all Korean people. He added: The WPK and the Government of Korea have put forward a series of rational proposals to achieve the fatherland's reunification. In May this year, President Kim Il-song put forward the five-point policy for Korea's reunification and gave an even better elucidation of the way to the independent and peaceful reunification of Korea. Thanks to the ceaseless efforts of the DPRK, the North-South High-Level Talks were held in Korea for the first time in 45 years. This is an event that seeks to end the division of the nation and achieve the peaceful reunification of the country. We hope that the North-South High-Level Talks will produce positive results. The Chinese people resolutely support the Korean people's just stand for the independent and peaceful reunification of the fatherland. We are convinced that the cause of the peaceful reunification of Korea, no matter how hard it may be, will certainly be achieved, when the Korean people pool the strength of the nation by upholding the President Kim Il-song's policy of the fatherland's reunification.

Saying that the Chinese people hold dear very much the great China-Korea friendship sealed in blood, he noted that today the friendship is ceaselessly strengthened and developed under the warm consideration of the leaders of the two parties and countries.

He stressed that the Chinese people, regardless of the change in the international situation, will continue to make efforts to defend and develop the traditional friendship between the peoples of the two countries, as in the past.

The participants in the banquet toasted to the great friendship and militant unity between the peoples of the two countries; to the good health and long life of the great leader Comrade Kim Il-song; to the good health and long life of the dear leader Comrade Kim Chong-il; and to the good health and long life of respected Comrades Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng.

Premier Delivers DPRK Anniversary Address

*SK1009030090 Pyongyang Domestic Service in Korean
0857 GMT 8 Sep 90*

[Speech by Yon Hyong-muk, member of Political Bureau of the Workers' Party of Korea [WPK] Central Committee and premier of DPRK State Administration Council, at central report meeting to celebrate the 42d founding anniversary of the DPRK; at the 8 February House of Culture on 8 September—live]

[Text] Comrades: We now are meaningfully celebrating the 42d anniversary of the founding of the DPRK, our glorious fatherland, amid the solemn environment in which all the people across the nation, with overflowing great hope for the future and faith in victory, are involved in the great march movement of the hopeful nineties, upholding the great leader Comrade Kim Il-song's historic policy speech.

Authorized by the Political Bureau of the WPK Central Committee on the occasion of the felicitous national holiday, I, in the name of the WPK Central Committee and the Republic's government, offer my warm congratulations to all the people, including the working class, farmers, and working intellectuals, who have struggled devotedly for the founding, strengthening, and developing of the Republic. [applause]

At the same time, I extend my compatriotic greetings to the patriots and people of all walks of life in South Korea who, looking to the Republic as the beacon of hope, are bravely struggling for the realization of the cause of converting society into one governed by independence and democracy and for achieving national reunification against the colonial rule of the U.S. imperialists. [applause]

Also, I extend warm greetings to all the overseas compatriots, including the Korean compatriots residing in Japan, who are enthusiastically fulfilling their patriotic duty for the prosperity of the socialist fatherland and for the independent and peaceful reunification of the country. [applause]

Also, I, in the name of the WPK, the Republic's government, and our people, offer my warm congratulations to foreign comrades and friends who are here with us to congratulate us on our national holiday. [applause]

Comrades: The DPRK is our great revolutionary gain, as well as a powerful weapon capable of leading our people's socialist cause to victory.

What counts most in the leadership of the party of the working class over the popular masses' cause of independence is to correctly solve the issue of sovereignty and then to vigorously carry out the revolutionary struggle and construction projects.

In the protracted course of carrying out the revolutionary struggle under the guidance of the party, our people have built a people's power on their own and erected in the

beautiful land of their socialist fatherland a wealthy and powerful, prosperous and independent, and sovereign socialist state. [applause]

It was already during the period of the anti-Japanese revolutionary struggle that the people's government had its historical roots struck in our country.

By firmly establishing the main force of our revolution during the grave period of the anti-Japanese revolutionary struggle, the great leader Comrade Kim Il-song has led the cause of national liberation to victory and laid firm foundation for building an independent and sovereign state. [applause]

In the course of the arduous and complicated revolutionary struggle against the Japanese imperialism, the lines for building a chuche-oriented government corresponding to our revolutionary duty and reality in our country were presented, the revolutionary backbone was formed for the founding of a people's power, and the noble experience of the work was attained.

Basing himself on the lines for building a people's power that he had already presented during the anti-Japanese revolutionary struggle and the rich experience gained in the course of its implementation, the great leader Comrade Kim Il-song founded in right time the people's power and successfully enforced all manner of democratic reforms in the northern half of our country following national liberation, and then proclaimed to the world the founding of the DPRK on 9 September, 1948. [applause]

The great leader Comrade Kim Il-song has taught: The founding of the DPRK was a great event of historical significance in the development of our revolution and in the life of our people.

The founding of the DPRK was a brilliant realization of the long cherished desire of our people to build a genuine state sovereignty of the workers and farmers and a grand birth of the chuche Korea. [applause]

With the founding of the Republic, our people have become a full-fledged master of a powerful and dignified, independent and sovereign state that no one dare provoke, breaking away from a nation that had been subjected to all manner of maltreatment and humiliation after being deprived of their country by foreign imperialists, thereby coming into possession of a powerful weapon to carry through the cause of socialism and communism in Korea, holding their own fate firmly in their hand. [applause]

Ever since its founding, our Republic has traversed a proud socialist road of struggle replete with shining victories and glories as indicated by the chuche idea and satisfactorily has fulfilled its duty in discharging its sacred duty for national prosperity and people's happiness.

Already during the initial period of its founding, the Republic's government successfully guaranteed the historic march toward socialism by inheriting the shining

revolutionary traditions of the anti-Japanese revolutionary struggle and by consolidating and developing the people's democratic system of our own style built in our country, defended its new system against the invasion of the enemies after rousing all the people to a just fatherland liberation war against the brigandish armed invasion of the U.S. imperialists and their lackeys, thus honorably defended the fatherland's freedom and sovereignty. [applause]

Overcoming mounting difficulties and ordeals on a heap of ruins caused by war that had destroyed everything, the Republic's government and our people wonderfully built a socialist system of our own style in a short period of time by brilliantly implementing our party's chuche-oriented socialist revolutionary lines intended to remold the production relations in a way that suits socialist style, before carrying out the technological reconstruction, successfully realized the historic cause of industrialization, and have turned our country into a socialist industrial state equipped with modern industries and developed rural economy. [applause]

In the process of carrying out an enormous struggle for socialist creation and construction, our people, breaking away forever from all manner of exploitation and oppression, have become invincible people who are capable of consummating the popular masses' cause of independence and socialist cause on their own according to the dictate of their faith and aspirations; our revolution has developed onto a high stage of imbuing society with the chuche idea; and the honor and dignity of our fatherland have become more shining. [applause]

Our Republic has achieved a brilliant victory by vigorously advancing along the road of socialism in the flow of the complicated history in which the destiny of the revolution was at stake, because it has strictly embodied the chuche idea in all domains, taking it as a steadfast guideline in the state activities.

The chuche idea is the guiding ideology of our revolution and construction and its embodiment in the state activities is a demand inherent in the Republic's government.

Since the day of its founding, our Republic's government, assuming the building of socialism on the strength of the consistent embodiment of the chuche idea as a firm, unwavering principle, has been faithful to the call of the chuche idea to strengthen the main force of the revolution and to remold all sectors of society according to the demand of the chuche.

The Republic's government, assuming the strengthening of the main force of the revolution as the principal issue in the struggle for socialism, has always concentrated effort on its implementation on a precedent basis when it comes to the revolution and construction, while deepening the work of strengthening the main force of the revolution furthermore in a way that corresponds to the high stage onto which the revolution and construction developed.

Under the guidance of the party, the Republic's government has firmly established the main force in ideology by arming the popular masses with the chuche idea, strengthening the ideological and volitional cohesion and revolutionary unity of the revolutionary ranks, while seeing to it that all the members of society unite with each other as a single sociopolitical organic body.

The tested WPK now stands firmly at the center of the revolutionary ranks in our country and the popular masses, who have overcome all manner of difficulties and ordeals in the protracted course of carrying out the revolutionary struggle, sharing life and death with the party, are discharging their responsibility and role as the master of the revolution by uniting firmly as one around the party and leader. Herein lies the source of successes that are being achieved in the struggle for socialism without interruption. [applause]

While guiding our people's cause of socialism by embodying the chuche idea, the Republic's government, staying firmly in the direction of remolding all sectors of society according to the independent demand of the popular masses, has consistently stood on its independent and creative standpoint and has thoroughly implemented the lines of independence, self-reliance, and self-defense.

By firmly adhering to the lines of independence in politics, self-reliance in economy, and self-defense under the guidance of the WPK, we have been able to endlessly deepen the revolutionary remolding of society by carrying out the revolution on our own according to the desire of our people and reality in our country under any adverse circumstances.

In particular, defining the three revolutions—ideological, technical, cultural, as the basic substance of the revolution that must be carried out under the historical condition that a socialist revolution has triumphed and a socialist system has been established, as well as the task of the continued revolution that must be carried on until communism has been built in our country, the Republic's government has kept the principle of giving priority to the ideological revolution firmly in place. At the same time, the Republic's government has been able to endlessly strengthen the independent position of the popular masses and to achieve proud successes in the struggle for occupying the ideological and material heights of communism by vigorously launching the technical and cultural revolutions in parallel. [applause]

As the independent line of our party and the government of the Republic has been brilliantly implemented and the three revolutions—ideological, technological, and cultural—have been vigorously pushed ahead, our country today has been converted into an independent socialist country which is most stable politically and where all lives are full of vitality, with chuche established in them, opening an even brighter future for our revolution. [applause]

The party and the popular masses are firmly united ideologically and volitionally, forming the strong independent main force of our revolution. The three revolutions—ideological, technological, and cultural—have been vigorously conducted on the firm foundation of independence, self-reliance, and self-defense, continuously intensifying the work to remake nature, remake man, and remake society. This is the source of the might and invincibility of the socialist system of our country, and a firm guarantee that we will be able to complete the socialist cause to the end, standing firm in the face of any difficult and complicated environment. [applause]

Our experience in carrying out the revolution and construction shows that our party's *chuche* idea is the most correct guiding ideology and an invincible weapon that enables the *chajusong* of the working popular masses to be completely realized on the basis of strengthening the position and role of the working popular masses—the main force of history and the power of social development. [applause]

The greatness and vitality of the *chuche* idea, which is our party's revolutionary ideology, is clearly manifest in the superiority of the socialism of our country. The fundamental superiority of the socialism of our country is that our society is one which considers everything in a man-oriented manner and serves in the interest of man. The superiority of the socialism of our country is the superiority defined by the *chuche* idea, the man-oriented ideology, and the might of the socialism of our own style is one that is exalted based on the *chuche* idea.

The superiority of the socialism of our country has come into full bloom in the happy and rewarding socialist life enjoyed by our people. Under the socialist system of our country, all the people, without exception, enjoy political life, cultural life, and material life suitable to the natural demands of social man and to the socialist ideals. Our people freely participate in managing the state and in the political activities of society as true masters of the government. All of them are engaged in political organizational life as proud members of the political organizations of society.

In our country, where the most valuable and rewarding political life for man has become the daily life commonly enjoyed by all the members of society, the people participate in setting up policies for the party and the state and executing them through political life in a manner befitting a master, realizing the blood relations with the political living body, with the party in its center.

Under the socialist system of our country, all the people most satisfactorily realize man's natural demands to develop himself continuously spiritually and physically, and through sound and abundant cultural life, they become the true creators and performers of socialist culture.

In our country, thanks to the benefits of the free compulsory educational system, all the people have the complete right and freedom to learn and are brought up to be a new-type man developed in various ways, studying throughout their lives. Thanks to free medical treatment and various other people-oriented policies,

they enjoy health and long life, fully exerting their wisdom and talents. In all the society, the independent man's beautiful and noble moral character is highly exalted, and the pride in life and the conviction for the future overflow.

In our country, all the people, without exception, lead sound lives, with material equality, with the state and society practically guaranteeing their right to food, clothing, daily necessities, and life with necessary conditions for this right. All working people participate in the creative labor for the society and for themselves, according to their ability. They receive not only the distribution according to the results of the labor, but many benefits thanks to the state's people-oriented policies.

In our country, where the interests of the entire society and the interests of the individual are the same, the people's assets increase and they are better off with the increase in society's material wealth, and all the people—workers, peasants, office workers, urban dwellers, and those living in the rural areas—are free from worries about livelihood, enjoying happy lives equally without any gap between the rich and poor. Through actual life, our people cherish deep in their hearts the endless national pride and self-respect in living and carrying out the revolution in the most superior socialist system of our own style embodying the *chuche* idea, with the *chuche* idea, which values the working popular masses most highly, as the soul of the nation. Our people thoroughly devote their high loyalty and patriotic passion to the party and the leader that have provided them with this *chuche* socialism, and to the people's government to which they are grateful. [applause]

In our country, which had been left far behind in the world with feudalistic exploitation and imperialist aggression in the past, and in which everything was destroyed by the three-year war provoked by the U.S. imperialists after the liberation, we were able to build a strong self-reliant national economy on our own in a very short period of time after the war, and we created the happy and rewarding new life of the people. This was a great upturn that can never be realized by anything other than socialism. In the difficult and complicated condition, in which the country is artificially divided and in which we directly confront the U.S. imperialists, the chieftain of the imperialism of the world, we have built a firm base of socialism in this country by overcoming manifold difficulties. Under this system, the ardent desire and ideals of the popular masses who want to lead independent and creative lives are turned into reality. This is the shining victory of the great *chuche* idea and the independent line and policy of our party and the government of the Republic that have embodied it, and the powerful demonstration of the superiority of the *chuche* socialism built in our country under the wise leadership of the party and the leader. [applause]

Comrades: Today the government of the Republic and our people have the honorable task of upholding the policy speech of the great leader Comrade Kim Il-song

delivered at the first session of the Ninth Supreme People's Assembly and we will accelerate more vigorously the revolution and construction to occupy a new higher peak of socialism and comprehensively exalt the superiority of the socialism of our country. Our people, who have waged an arduous and protracted struggle for socialism under the banner of the *chuche* idea, are now standing at an important turning point in history. If we attain the grand goal of the hopeful 1990's based on the mighty political and ideological foundation and material and technological foundation which we have already built on the road of struggle for socialism, the might of the socialism of our country will be even more highly exalted, our people will have nothing to be envious of in their lives, and the party's strategic idea for the complete victory of socialism will become a shining reality.

Under the slogan "Let us live in our own style, cherishing deep in our heart the honorable mission and heavy responsibility which the times and history gave our people," we should consistently implement our party's *chuche* line in all fields of socialist construction and advance more vigorously with overflowing confidence and optimism to make the 1990's a glorious era of the most brilliant chapter in the history of our party and people. [applause]

To successfully complete the socialist cause with initiative in coping with the rapid-paced trend of history, we should firmly adhere to the program of modeling the entire society on the *chuche* idea, the general task of our revolution, and continuously and thoroughly implement our party's general line of socialist construction. Our party's general line of vigorously conducting the three revolutions—ideological, technological, and cultural—while strengthening the people's government continuously, enhancing its function and role, is the most scientific and revolutionary line. It is aimed at embodying the *chuche* idea so that we can successfully occupy the ideological and material fortresses of communism and completely realize the *chajusong* of the working popular masses. [applause]

We should vigorously push ahead with the struggle to occupy both these fortresses, the basic strategic targets of socialist and communist construction, so that we can occupy the high plane of the complete victory of socialism and effect a new upturn on the road of completing the *chuche* cause. We should thoroughly embody the party's policy on placing priority emphasis on the work of occupying the ideological fortress. By vigorously conducting the ideological revolution above all, we should firmly arm all the members of society with the *chuche* idea, revolutionize and working-classize them, further solidify the wholehearted unity between the party and the revolutionary ranks based on the *chuche* idea, and exalt their might in all directions.

At the same time, in compliance with the party's cultural revolution policy, we should develop educational work, establish the revolutionary study ethos of studying while

working, and working while studying, and by accelerating the intellectualization of the entire society, we should make all working people firmly prepare themselves to be socialist builders with high creative skill and an abundant culturally cultivated mind, thereby further enhancing the overall technological and cultural standard of our society.

Vigorously conducting socialist economic construction today is an important task to accelerate the work to remake nature in order to successfully occupy the material fortress of communism and highly exalt the superiority of the socialism of our country. Upholding the programmatic task set forth by the great leader Comrade Kim Il-song in his New Year's address and his historic policy speech and the decisions of the 17th plenary meeting of the sixth party Central Committee, we should vigorously conduct the great all-people march movement of socialism with the revolutionary spirit of self-reliance and arduous struggle, so that we can create a new speed of the nineties and effect continuous upsurges in all sectors of the people's economy, including the key industries, such as the mining industry and power industry, railway, transport, light industry, rural economy, and major construction projects.

In socialist economic construction, we should firmly adhere to our party's basic strategy—the *chuche*ization, modernization, and scientization of the people's economy—and vigorously push ahead with the technological revolution in all sectors and units with the same revolutionary zeal and spirit as we had in the era of the *chollima* upsurge in the postwar period. By thoroughly implementing the great *taean* work system, we should normalize production at a high level and highly exalt the production potential of the self-reliant national economy of the socialism of our country.

The people's government is the defender of the interests of our people, and it is an honorable mission of the government of our Republic to thoroughly embody the socialist democracy in state activities. The socialist democracy implemented in our country today is a most superior democracy, which comprehensively and practically guarantees true freedom and rights for the working popular masses in all fields of state and social life.

To satisfactorily implement socialist democracy, we should have the working popular masses extensively participate in the work of the people's government and enhance the role of the working popular masses in the state's political life. At the same time, we should thoroughly crush the reactionary and antisocialist stratagem perpetrated by the imperialists under the signboard of freedom, human rights, and democracy, oppose all sorts of phenomena encroaching upon the people's interests and the socialist cause, and actively defend the independent demands and common interests of the popular masses.

To accelerate the ideological, technological, and cultural revolutions by enhancing the function and role of organs

of the people's government and, thus, to smoothly implement socialist democracy in all fields of social life, it is imperative to firmly guarantee the unitariness of leadership and to thoroughly implement the revolutionary mass line. Only under the leadership of the party, the political general staff, which embodies the popular masses' [word indistinct] and interests can the people's government be active in conformity with the popular masses' will and successfully consummate the cause of socialism and only thus can it successfully consummate the cause of socialism by firmly adhering to the class stand and revolutionary principle of the working class in all fields of social life.

Organs of the people's government should conduct all activities in accordance with the party line and policy by firmly adhering to the position of being genuine servants of the people and executors of the party's policies and always upholding the leadership of the party. They should also constantly improve their work systems and methods by embodying the revolutionary mass line.

We should thoroughly implement the great Chongsan-ri spirit and Chongsan-ri method which have correctly combined the party's leadership and its revolutionary mass line in all fields of state and social lives. Thus, we should enhance by all means the function and role of the people's government as the master of the country, as the defender of the revolution, and the faithful servant of the people. The genuine way to highly enhance the superiority of our country's socialism, and the firm guarantee for its consummation, lie precisely in building socialism according to the demands of *chuche* while firmly grasping the work of modeling the whole society after the *chuche* idea and the line of the three revolutions and thoroughly guaranteeing the continuity of the revolutionary cause under the party's leadership. [applause]

Comrades: Reunifying the country by bringing an end to the country's division is the most urgent national task which arises today before the regime of the Republic and our people. The fact that the division of the nation, which began in the forties, still continues today in the nineties is an inconceivable tragedy of history in light of national independence and in light of world independence. Today, our compatriots are burning with the ardent desire to achieve national reunification, regardless of whether they live in the North, in the South, or overseas, and they are filled with the unshakable will and faith to achieve national reunification without fail.

Our party and the government of the Republic which have made consistent and sincere efforts to solve the reunification question of the country in a peaceful way put forward this year a new five-point policy for national reunification, an epochal disarmament proposal, and other reasonable proposals for easing tension on the Korean peninsula and for opening a favorable phase for its peaceful reunification. They are now actively struggling for their realization. However, under the patronage of the United States, the persons in authority in South Korea have turned away our

reunification line and pursued the line of division and war. Thus, they have created graver obstacles to the road of national reunification.

We can never allow the nation's destiny to be trifled with by splittists at home and abroad, and allow our country to be forever divided in two by them. The primary question which arises in achieving the country's reunification in a peaceful way at present is to alleviate tension on the Korean peninsula and to guarantee peace there. No problems for reunification can be solved in a situation in which the huge armed forces of the North and the South confront each other at the military demarcation line, and a situation in which, furthermore, there exists the continued danger, in which war may break out at any moment because of the constant war provocation maneuvers of the United States and the persons in authority of South Korea.

Peace on the Korean peninsula should be a completely reunification-oriented one and should be practically guaranteed by the adoption of a nonaggression declaration between the North and the South, the signing of a peace agreement between Korea and the United States, the withdrawal of foreign troops, and military reduction by the North and the South. Our party and the government of the Republic have already held that the Armed Forces of the North and the South should be cut in a phased manner and reduced to less than 100,000 and that, according to this, nuclear weapons and the U.S. forces should be withdrawn from South Korea.

Proceeding from the sincere desire to solve the reunification question of Korea in a peaceful way, we have proposed sharply [*taepok*] reducing the Armed Forces of the North and the South. With this proposal, and with the withdrawal of foreign troops becoming a world trend, there is no excuse whatsoever for U.S. forces to continue to stay in South Korea. The sooner U.S. forces are withdrawn from South Korea, the more it will accelerate Korea's reunification and will win welcome from our people and the peace-loving people of the world.

If the United States cannot completely withdraw the U.S. forces stationed in South Korea at one time, it may withdraw them in a phased manner. The basic condition for solving the reunification question of our country in a peaceful way is to pull down the barrier of division and to realize free travel and total opening between the North and the South. As the world officially recognizes, the barrier of division in our country is the concrete wall built in the area south of the military demarcation line and the South Korean legal and institutional devices which have regarded travel and contact between compatriots and brothers as a criminal act. As long as these physical and political barriers are left as they are, the state of division and confrontation between the North and the South cannot be eliminated, nor can national reconciliation and unity be achieved.

As for the so-called opening and great national exchange that the persons in authority of South Korea are clamoring about, as its true intent has already been revealed, it is, in fact, nothing but deceptive propaganda and advertisement which proceeds from the wicked and treacherous aim designed to soothe the public opinion at home and abroad which call for pulling down the concrete wall, a symbol of national division and North-South confrontation, and for free travel and total opening up between the North and the South, to frustrate the burning desire of compatriots in the North, in the South, and overseas for reunification, and to cover up the serious political crisis in the South Korean society.

Encouraged by our proposal to realize free travel and total opening up between the North and the South by pulling down the barrier of division and, thus, to expedite the peaceful reunification of the country, the South Korean people from all walks of life are vigorously waging a unprecedented massive struggle to make the South Korean society independent and democratic and to achieve reunification hand in hand with the people in the northern half of the country. [applause]

Today, when even nations with different languages and skin colors freely come and go, the barriers of division which have split a nation are being pulled down everywhere, and the large river of reunification is flowing, an attempt to break off the compatriots' desire for reunification while leaving the barrier of division as it is, running counter to the trend of the times and to the desire of the fellow countrymen, is being perpetrated only on the Korean peninsula. This is an antinational criminal act which cannot be tolerated.

If the persons in authority of South Korea are truly interested in North-South contact, travel, and exchange, they should take drastic measures to pull down the concrete wall, giving up such foolish attempts as denying the existence of the wall and, at the same time, they should scrap the National Security Law, an antireunification evil law, which criminalizes travel, contact, exchange, and cooperation between the North and the South. They should also release all the patriotic and democratic figures and students, including the envoys of reunification who were arrested on charges of violating the National Security Law after they visited the northern half of the country.

Historically, the Korean question has deep relations with the international relations. Accordingly, to expedite the cause of national reunification at the earliest possible date in conformity with the ardent desire of all the nation, it is imperative for the North and the South to develop their foreign relations on the principle of creating international circumstances favorable for the independent and peaceful reunification of the country.

By bringing the reunification question, an internal problem of our nation, to the outside, the persons in authority of South Korea are attempting to realize their separate entry into the United Nations at any cost. The

maneuvers for a separate entry into the United Nations by the persons in authority of South Korea are a vicious and wicked and treacherous trick designed to internationally legalize the existence of two Koreas and to freeze the division of Korea in the name of the United Nations.

Korea's UN membership problem is a matter pertaining to the Korean nation's sovereignty. So, it should be solved on the basis of a nationwide agreement, an agreement of the North and the South. If the North and the South are to join the United Nations before Korea's reunification is achieved, they should not enter it separately and with two seats, but should share one seat in favor of the reunification cause. Since the South side, at the first round of North-South High-Level Talks, agreed to discuss the UN membership problem separately at a contact of delegates in the future in response to our proposal, the two sides should meet and discuss this problem in favor of the country's reunification cause.

National reunification is the entire population's cause for independence and all the people are the main force of national reunification. Whether the cause of national reunification will be successful or not depends, ultimately, on how united the Korean people from all walks of life in the North and South and the Korean compatriots abroad will be in struggling for it.

The struggle for national reunification is not to resolve any form of class contradiction within the nation or confrontation between systems, but is a standoff between the reunification line and splittist line, between the patriotic forces aspiring for reunification and the splittist forces. So, all the Korean people should unite with each other on the basis of placing common national interest ahead of everything else, transcending the differences in class, thoughts, political views, and religion.

All the organizations at home and abroad that are involved in the struggle for national reunification should cooperate with each other while searching for a way of realizing a federation and form a nationwide united front with all political parties, public organizations, and personages of all standings arrayed behind it.

The Panmunjom pan-national rally held last 15 August on the occasion of the 45th anniversary of national liberation, the first of its kind ever in the history of our national movement for reunification, was a historic negotiation venue for reunification that has opened a new chapter of a movement initiated by the nation and citizens who took the lead. It was also an event of special significance that has contributed to turning the cause of national reunification into a nationwide cause. [applause]

The only way to peacefully resolve the question of national reunification by pooling the opinion of the entire population is for the North and South to actively develop dialogue. Talks between the North and South should serve as a substantial instrument in settling the reunification question. Talks between the North and South should democratically reflect the opinion of all the political parties, public organizations, and people from

all walks of life that genuinely hope for national reunification, instead of speaking for the authorities or any particular sectors.

Instead of trying, as they have so often done in the past, to keep the people from participating in debates on the reunification question, to monopolize dialogue, and to stand in the way of multifaceted contacts and dialogue between the North and South at any costs under the pretext of being the sole channel for dialogue, the persons in authority in South Korea should open wide the door for citizen-initiated talks between political parties and people of all factions and from all walks of life in the North and South and abroad.

We will actively make efforts to further the civilian-initiated dialogue between the people from all walks of life in the North and the South and abroad, while continuing mutual contacts and dialogue with the South Korean authorities.

Conscious of our noble mission and duty before the times and the nation, we will continue exerting sincere efforts to see that the North-South High-Level Talks, which made a good start, make a substantial contribution in the future to the easing of the acute state of political and military confrontation prevailing on the Korean peninsula, as well as to creating conditions favorable for national reunification. [applause]

The shortest way to the solution of our country's reunification question is to put into practice the proposal for founding the democratic confederal republic of Koryo, a proposal that has embodied the three principles of national reunification—*independence, peaceful reunification, and great national unity*—agreed upon by the North and South and solemnly declared worldwide.

The fellow countrymen of all strata and organizations at home and abroad that are involved in the movement for reunification should vigorously carry out a struggle for reunification to reunify the country by founding a confederal state based on the coexistence of two systems and two autonomous governments in the North and South, rejecting the system-initiated reunification theory, the reunification policy based on the assumption of one side swallowing the other.

The policy of our party and the Republic's government for national reunification based on founding the democratic confederal republic of Koryo enjoys absolute support and sympathy not only from all the Korean people, but also from the peace-loving people of the world. Moreover, the situation at home and abroad now is becoming more favorable to our national cause of reunification.

All the Korean people in the North and South and abroad will achieve the historic cause of national reunification without fail on the strength of the support and encouragement from the progressive people of the world who value justice and peace, based on the united

strength of the entire population during the hopeful nineties by frustrating and checking the splittist maneuvers. [applause]

Today, a serious and acute standoff and struggle keeps pitting socialism against imperialism, the progressives against the reactionaries, in the international arena. While maintaining a policy of strength and clinging to their so-called strategy of peaceful transition, the imperialists are employing all manner of crafty means and ways to undermine socialism. It is, however, nothing but a pipe dream of those who are faced with the fate of demise.

Capitalism is a dying force after being proven to be an impediment to historic development due to its oppression of the popular masses' desire for independence, while socialism is a vital force having an endlessly bright future that propels the development of history as it has opened an expansive road leading to the complete realization of independence for the popular masses. [applause]

The struggle between socialism and capitalism is a struggle between the new and the old and it is an inviolable law of historical development that the new triumphs and the old perishes.

Under circumstances in which the imperialists are viciously scheming to obliterate socialism and the progressive forces of the world based on their united strength, the key to winning a victory for independence and the cause of peace for all the anti-imperialist revolutionary forces is to struggle in firm unity.

All the revolutionary people all over the world should further strengthen their solidarity with the anti-imperialist struggle, check and frustrate the imperialists' interventionist and aggressive maneuvers with their united strength, resolutely defend the principle of independence against imperialism, the socialist principle, and keep struggling to the end to pioneer a bright future for mankind.

Independence, peace, and friendship are the basis of the foreign policy of the Republic's government. We will, as in the past, resolutely defend our national sovereignty in the international arena, value the sovereign right of other countries, and solve all international issues according to the principle of independence in a way that is in the common interest of our people and the peoples of the world.

The Republic's government will struggle to smash the aggressive and war maneuvers of the imperialists and convert the Korean peninsula into a nuclear-free, peace zone and will fully support and encourage world people in their antiwar, antinuclear, and peace movement. [applause]

Our Republic's government, which always values the friendship and unity with the progressive, independence-minded, and peace-loving peoples of the world, will strengthen unity and solidarity with the socialist countries in the spirit of the socialist principle and comradely cooperation and strengthen and develop the friendly and

cooperative relations with all the peace-loving forces of the world, including the people of the nonaligned countries in firm unity. [applause]

Although the imperialists are indulging in bravado and bluster and are employing their last-hour maneuvers, they can never stop the forward movement of history, and the people's cause of converting the world into one governed by independence will continue to develop without interruption.

Let us all raise high the banner of the great chuche idea and vigorously struggle to hasten the complete victory of socialism and the independent and peaceful reunification of the country by firmly rallying behind the party Central Committee led by the respected and beloved Comrade Kim Il-song! [applause]

Long live Comrade Kim Il-song, the great leader of our party and people! [applause and shouts]

Long live the glorious WPK, the organizer and the guide of all victories! [applause and shouts]

Long live the glorious fatherland, the DPRK! [applause and shouts]

South Korea

North UN Membership Proposal To Be Discussed

SK1209073390 Seoul YONHAP in English 0709 GMT
12 Sep 90

[Text] Seoul, Sept. 12 (OANA-YONHAP)—Liaison officials from North and South Korea will meet in the truce village of Panmunjom Thursday to discuss procedural matters for hearing North Korea's explanation on the justifiability of a "single seat" Korean membership in the United Nations.

North Korea's senior liaison official Choe Pong-chun, in a telephone message to his southern counterpart Kim Yong-hwan Wednesday, made the proposal, which the South has accepted, a spokesman of the National Unification Board said.

In the Seoul Inter-Korean prime ministers' talks held on Sept. 4-7, the two halves of Korea agreed to discuss Korea's admission to the world body to work out differences on the matter.

South Korea has maintained a position that either South alone or South and North both can join the United Nations, while the North objects to it in favor of sharing a single membership citing the South's will perpetuate the division of the Korean peninsula.

The South and the North are scheduled to hold the 2nd Inter-Korean prime ministers' talks in Pyongyang on Oct. 16-19 to discuss bilateral issues.

North Communication To Rally Organizers Denied

SK1209065190 Seoul YONHAP in English 0645 GMT
12 Sep 90

[Text] Seoul, Sept. 12 (YONHAP)—South Korea virtually turned down Wednesday North Korea's proposal to deliver a letter to the South Korean organizers of a pan-national rally.

In a telephone message, Kim Sang-hyop, president of the Korean National Red Cross, urged that letters, except for those with humanitarian purposes, should be exchanged between responsible authorities of the two sides.

Yun Ki-pok, chairman of the North Korean organizing committee for the rally, said in a radio message Tuesday that North Korea will dispatch two liaison officers to the truce village of Panmunjom to deliver the letter.

"Our government expresses the concern that your side's request to deliver the letter would not do good for the improvement of inter-Korean relations but cause unnecessary adverse effects," Kim said.

Recalling his message of April 24, 1989, to refrain from the delivery of telephone messages or letters which could trigger off political disputes between the South and the North, Kim said it would be desirable that letters should be exchanged between responsible authorities except for those with humanitarian purposes in view of the inter-Korean high-level talks.

The first high-level meeting headed by the prime ministers of the both halves of Korean Peninsula was held in Seoul last week. The second meeting is scheduled to be held in Pyongyang next month.

Kim Il-song's 'Secret' Visit to PRC Reported

SK1209062990 Seoul YONHAP in English 0624 GMT
12 Sep 90

[Text] Seoul, Sept. 12 (OANA-YONHAP)—North Korean leader Kim Il-song is on a secret visit to China for talks with party General Secretary Jiang Zemin and other Chinese leaders on fast-changing South Korea-Soviet relations and other developments on the Korean peninsula, a reliable source here said Wednesday.

Kim will be in Shenyang, Northeast China, until Thursday. He went there by train Tuesday, the source said.

Kim, however, is not likely to go to Beijing this time, said the source, who spoke on condition of anonymity.

The North Korean leader will hold extensive talks with Chinese officials on the recent inter-Korean premiers' meeting, Soviet Foreign Minister Eduard Shevardnadze's visit to Pyongyang earlier this month, and the imminent establishment of diplomatic ties between South Korea and the Soviet Union, the source said.

Shevardnadze had told South Korean officials during an international seminar in Vladivostok that he had notified North Korea during his Sept. 2-3 visit to Pyongyang that the Soviet Union plans to normalize ties with South Korea, possibly within this year.

South Korean Foreign Minister Choe Ho-chung is also scheduled to meet Shevardnadze Sept. 27 during a United Nations General Assembly session in New York for talks on the pending issue of diplomatic ties between the two countries.

The Soviet foreign minister left North Korea reportedly without meeting Kim, and the North Korean president is apparently in China to discuss "post-measures" to these developments, the source said.

South Korea and the Soviet Union have been inching closer both economically and politically, peaked by the historic meeting between Presidents No Tae-u and Mikhail Gorbachev in San Francisco on June 5.

A South Korean delegation, led by Presidential Economic Advisor Kim Chong-in, returned with a list of economic and technological areas proposed by the Soviet side for bilateral cooperation. A Soviet delegation is due in Seoul next month to work out further details.

Kim was last in China in November of last year, also unannounced, when he met with Deng Xiaoping and other leaders to discuss the then sweeping reforms toward democratization in east bloc countries.

In Shenyang, Kim is also believed to explain the results of the inter-Korean premiers' meeting in Seoul last week and discuss North Korea-China cooperation for the upcoming Beijing Asian Games, the source said.

Kanemaru Promises To Encourage N-S Exchange

SK1209103690 Seoul YONHAP in English 1025 GMT 12 Sep 90

[Text] Tokyo, Sept. 12 (OANA-YONHAP)—South Korean ambassador to Japan Yi Won-kyong met with former Japanese Deputy Prime Minister Shin Kanemaru Wednesday to discuss his visit to North Korea in late this month, an embassy official said.

Yi asked Kanemaru to make efforts for helping promote inter-Korean dialogue during his visit to Pyongyang, the official said.

Kanemaru, one of the most powerful leaders of Japan's ruling Liberal Democratic Party (LDP), is to lead a high-powered LDP delegation to Pyongyang for talks with North Korean officials on clearing the way for improving mutual ties between Japan and North Korea.

"South Korea does not oppose the progress in Japan-North Korea relations based on the concept of a general balance," the Korean ambassador said, while asking him to save no efforts in explaining to North Korean leaders the necessity of inter-Korean dialogue.

Kanemaru reportedly promised that he will persuade North Korea to carry out exchange between the South and the North during his visit to Pyongyang.

The Japanese delegation plans to pay a courtesy call on North Korean leader Kim Il-song and meet with other high-ranking officials. The Japanese are expected to produce a joint communique with the North's ruling workers party.

Japan Proposes Plan for Asian Communications

OW1109055190 Tokyo KYODO in English 0443 GMT 11 Sep 90

[Text] Seoul, Sept. 11 KYODO—Japan's Posts and Telecommunications Minister Takashi Fukaya on Tuesday proposed a grand project to bolster and upgrade the telecommunications networks in the Asian region, Japanese government officials said.

Fukaya's idea was presented at a meeting with South Korean Communications Minister Yi U-chae, the officials said.

As Yi reacted favorably to the proposal, the two sides agreed to cooperate to promote the initiative, they said.

Fukaya's plan includes the establishment of a pan-Asian Integrated Services Digital Network (ISDN), to augment mobile telecommunications such as cellular phones in the region, the construction of telecommunications complexes utilizing satellites, the expansion of international value added networks, and laying of undersea optical fiber cables.

For the first step toward boosting the Asian telecommunications capacity, Japan will sponsor several international conferences and seminars on telecommunications technology in the next 12 months, the officials said.

South Korea has expressed a strong interest in participating in these meetings.

Officials of the telecommunications ministries of both countries are holding working-level meetings in Seoul to discuss bilateral cooperation in the field in light of the next annual meeting of the Asia-Pacific Economic Cooperation (APEC) Forum to be held in the South Korean capital next year.

Plans To Import Soviet Raw Materials Reported

SK1109024090 Seoul THE KOREA TIMES in English 11 Sep 90 p 8

[Text] Domestic steel makers plan to jointly import hot coil from the Soviet Union to cope with its short supply on the local market.

At present, Pohang Iron and Steel Co. (POSCO) monopolizes the manufacture of hot coil, a raw material for steel products.

According to business circles, POSCO and other steel makers which use hot coil plan to dispatch a joint working mission to the Soviet Union by the end of this month for import of the item.

The delegation will discuss with the Soviet Union import volume and unit price.

Domestic steel makers seek to import 200,000-300,000 tons from the Soviet Union per year, effective next year.

It will be the first time Korean steel makers will import hot coil from the Soviet Union.

They have imported hot coil from Japan, the United States and Canada.

Malaysian Premier Mahathir, Delegation Arrive

SK1109090190 Seoul YONHAP in English 0839 GMT 11 Sep 90

[Text] Seoul, Sept. 11 (YONHAP)—Malaysian Prime Minister Mahathir Mohamed flew to Seoul Tuesday for a four-day official visit at the invitation of South Korean President No Tae-u.

Mahathir was accompanied by Foreign Minister Abu Hassan and 26 other officials.

The premier is scheduled to have a summit on Wednesday with No at Chongwadae, presidential residence, and attend a dinner party hosted by No.

He is going to meet with Prime Minister Kang Yong-hun to discuss ways to expand mutual diplomatic and economic links.

Mahathir is to make inspection tours to the Korea Development Institute, Seoul subway and underground shopping center, a steel mill in Kwangyang, and a shipyard in Okpo.

Mahathir leaves Korea on Friday.

Further on Official Visit

BK1109123590 Kuala Lumpur BERNAMA in English 1122 GMT 11 Sep 90

[Report from Abdul Rahman Sulaiman]

[Text] Seoul, Sept 11 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed arrived here Tuesday, to begin a four-day official visit aimed at further cementing ties with South Korea and wooing more South Korean investment to Malaysia.

Dr. Mahathir, accompanied by his wife Dr. Siti Hasmah Ali, was received on arrival at Kimpo International Airport, 40 km from here, by Prime Minister Kang Yong-hun and his wife.

Accompanying the official delegation which comprises Foreign Minister Abu Hassan Omar and senior officials,

is a 20-member private sector delegation led by the chairman and chief executive of ABL Corporation, Senator Abu Bakar Lazim.

A welcoming ceremony earlier scheduled to be held at the airport tarmac had to be shifted to the airport terminal building due to a heavy downpour which started since Monday.

Apart from the rain, which local officers said was quite unusual for autumn in South Korea, preparations for the visit, the prime minister's second, so far, appeared to be elaborate.

Malaysian flags flew side by side South Korean flags along the route from the airport to the Shilla Hotel where the prime minister and his party will be staying during his visit.

Wednesday, Dr. Mahathir is scheduled to hold talks with President No Tae-u at the Presidential Palace during which they will exchange views on international issues and discuss bilateral matters.

On Thursday, the prime minister will tour the Posco Steel complex in Kwangyang, some 250 km to the south of here. He will also visit the Daewoo shipyard nearby.

Dr. Mahathir is scheduled to leave for home on Friday [14 September].

Mahathir: Will Increase Trade

SK1209035390 Seoul YONHAP in English 0301 GMT 12 Sep 90

[Text] Seoul, Sept. 12 (YONHAP)—President No Tae-u and Malaysian Prime Minister Mohamed Mahathir agreed to expand bilateral trade and economic links Wednesday at Chongwadae, the presidential office.

No and Mahathir shared satisfaction that two-way trade volume between their two countries has increased over 2 billion U.S. dollars since No visited Kuala Lumpur in November 1988 and South Korean investment in Malaysia soared to 36 million dollars last year, officials said.

No asked Mahathir to increase supply of Malaysian crude to Korea from current 80,000 barrels a day to 110,000 barrels. The Malaysian leader reportedly rejected the request citing Malaysia's production capacity.

No and Mahathir also discussed the Gulf crisis, Cambodia situation and other international issues as well as ways to promote mutual relations, the officials said.

Reminding this year marks the 30th anniversary of Seoul-Kuala Lumpur diplomatic relations, No asked Mahathir to help South Korea bolster links with the Association of Southeast Asian Nations which is chaired by Malaysia.

Mahathir flew to Seoul Tuesday on a four-day official visit at No's invitation. He was accompanied by Foreign Minister Abu Hassan and other government officials and 35 businessmen.

More on No Tae-u Meeting

BK1209102590 Kuala Lumpur International Service in English 0800 GMT 12 Sep 90

[Text] Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed and South Korean President No Tae-u have agreed to expand bilateral trade and economic ties. Both leaders met privately for 40 minutes before holding formal talks, which included a luncheon at the South Korean Presidential Mansion, the Blue House.

During the talks, the two leaders discussed the Gulf crisis, the Cambodian situation, and other international issues as well as ways to promote bilateral economic ties. Datuk Sri Dr. Mahathir and Mr. No expressed satisfaction with growing bilateral trade and agreed to further strengthen economic and other links between the two nations. Official figures show that trade between the two countries grew to \$2 billion last year. South Korean investment in Malaysia jumped from \$3.5 million in 1988 to \$35 million last year.

Datuk Sri Dr. Mahathir and his delegation, including Foreign Minister Datuk Abu Hassan and 35 businessmen, are on a four-day visit to South Korea.

Mahathir on Industrialization

BK1209082590 Kuala Lumpur BERNAMA in English 0608 GMT 12 Sep 90

[Report by Abdul Rahman Sulaiman]

[Text] Seoul, Sept 12 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed has pledged to continue to strive hard to develop Malaysia to a level equal to the developed countries although he might not live to see the fruits of his labour during his lifetime.

The prime minister said he realized that this would not be any easy thing to do in a short space of time but if everyone worked hard, in time, the aim would be achieved.

"We do not possess magical powers but if we all work hard we will succeed, if not in 20 years, then in 30 or 40 years," he added in an impromptu speech at a dinner hosted by the Malaysian Embassy here Tuesday [11 September], in honour of his four-day official visit to South Korea which began Tuesday.

Dr. Mahathir said what was important was for all Malaysians, especially the younger people, to strive their utmost in whatever field of endeavour.

We must go and think big. But, this does not mean borrowing large sums of money from the banks and using it to buy big cars. What I mean is we must be willing to

take risks that may be high in whatever endeavour in order to obtain high returns, he added.

He cited the Proton Saga national car project and projects of the Heavy Industries Corporation of Malaysia (HICOM) which involved high expenditure and risks which now proved to be a big success. What others can do, we too can do, he said.

He reminded Malaysians of the success achieved by the country over the last 10 years—success no one even thought possible.

He then advised Malaysians in South Korea to emulate the good examples and work ethics learned from its people when they returned home. South Koreans, like the Japanese, are a good example of a people who think big, he said.

Datuk Sri Dr. Mahathir, who visited South Korea twice before becoming prime minister and twice after that, including the present visit, said he could see the changes and progress achieved by that country over the past 25 years.

New ROC Ambassador on Bilateral, PRC Ties

SK1209101490 Seoul HANGUK ILBO in Korean 8 Sep 90 p 6

[Interview with Jin Shuiji, new Republic of China (ROC) ambassador to Korea by correspondent Kim Hyo-su in Taipei—place and date not given]

[Excerpts] [Introduction] Some speculate that the Korean and Chinese efforts to establish diplomatic relations will become visible following the Asian Games in Beijing in September. If this happens, the ROK and the ROC, two countries that have maintained the best of alliance relations over the past 40 years, are expected, inevitably, to sever diplomatic ties. Because of this, there is a growing concern about what sort of changes will take place between the two countries. At such a sensitive time, the ROC administration appointed Jin Shuiji, deputy chief of political affairs at the ROC Foreign Ministry, as ROC ambassador to Korea. [passage omitted]

[Kim Hyon-su] What pending bilateral issues will you give priority to solving after assuming your post in Seoul?

[Jin Shuiji] In fact, the two countries have no pending issues to solve on a precedent basis. Through frequent mutual visits by high-ranking officials and through our embassies, the two countries have conducted enough consultations on all issues. In addition, about 150,000 ROC citizens have visited the ROK as tourists during the last year and 140,000 Koreans have also visited the ROC. Trade volume between the two countries reached \$2.3 billion last year and the bilateral trade shows sign of rising this year, too. These statistics are telling evidence

of good relations between the two countries, as a Chinese proverb goes: "Distant relatives are no better than neighbors in close proximity."

[Kim] However, some people maintain that the Korean and Chinese moves toward establishing diplomatic ties are causing sensitive diplomatic issues between Korea and ROC. Do you consider the establishment of diplomatic ties between Korea and China an inevitable course of events at present? Or, do you think it should be blocked now and that it can be blocked?

[Jin] What should be made clear before arguing about this question is that the goals the two countries pursue are identical. Both the ROC and the ROK ardently hope for reunification based on liberal democratic system. It is precisely for this reason that the two countries have tried to prove the superiority of liberal democratic systems as opposed to the communist systems in North Korea and China and have put forth every ounce of their energies in cultivating a model of an ideal society to be adopted by the two peoples after reunification while maintaining close mutual cooperation between them.

Of course, the current situation in the international arena is changing so rapidly that it is impossible to predict its outcome. The democratic reforms in the Soviet Union and East European countries are no doubt affirmative changes in the international situation and the ROC is ready to participate in such changes and to cooperate with them over the long-term.

However, what must not go unnoticed is that China still retains an undemocratic system as vividly evidenced by the Tiananmen incident. North Korea, too, has openly declared that it will hold on to a tightly closed and undemocratic communist system.

In this context, it is true that the ROC is watching with keen attention to the ROK's northern policy, including its moves to come close to China. [passage omitted]

[Kim] Then, do you see any possibility of ROK-ROC relations souring to the degree that it is impossible to restore them if and when Korea and China establish diplomatic relations?

[Jin] I believe that any one country's foreign policy is hard to change since it is based on its own national interest and long-range goals. And it is very important to clearly recognize who is friend and who is foe. In this regard, I express my full trust in, and respect towards, the words of ROK Foreign Minister Choe Ho-chung who said in a National Assembly interpellation: "The ROC is our ally and the friendly relations between our two countries will not be undermined in the process of promoting our northern policy." [passage omitted]

[Kim] Even so, wouldn't there be inevitable changes in the diplomatic relations established between Korea and the ROC if Korea and China established diplomatic ties? Do you think it will be possible to maintain a ROC Embassy in the ROK even after the establishment of

diplomatic relations between Korea and China? Or, do you expect that your country will open a new type of mission, for example a permanent mission, in Korea? [passage omitted]

[Jin] My mission as ROC ambassador to the ROK is to contribute to promoting common interests of the two countries. Therefore, I do not hope that relations between Korea and China grow friendlier and those between ROC and ROK will grow sour. [passage omitted]

[Kim] Some believe that ROC citizens's sentiment toward Korea has deteriorated over the past few years.

[Jin] The people of the two countries have maintained friendly relations unheard of anywhere else in the world and it is quite natural for them to feel like they are from the same family. For this reason, they feel hurt even at the slightest unpleasantness caused by the other. However, given the deep-rooted solidarity between the two countries, the ROC citizens' anti-Korean sentiment toward its northern policy among others will subside soon. [passage omitted]

Daewoo Exports Railcars, Assembly Line to Burma
SK1209011090 Seoul THE KOREA TIMES in English
12 Sep 90 p 9

[Text] Daewoo Corporation signed a contract worth 22 million U.S. dollars with the Burmese Government to export rail-road cars and an assembly line to the country in Rangoon yesterday.

The contract, made in line with the Burmese rail-road modernization plan, is being financed by the Overseas Economic Cooperation Fund (OECF) provided by Japan. According to terms of the contract Daewoo will export 212 cars including 72 passenger cars and 140 freight cars in knocked-down condition from the end of this year to August next year.

Daewoo Heavy Machinery, a sister company of Daewoo Corporation, will undertake the project with the plan to begin assembly production in Burma from March next year.

Hyundai Exports 36 Railroad Cars to Nigeria
SK1209010890 Seoul THE KOREA TIMES in English
12 Sep 90 p 9

[Text] Hyundai Precision & Industry is leading its way into the Third World markets with its first shipment of 36 deluxe railroad cars for Nigeria today.

The car exports are of great significance in that the export bill will be settled with loans provided by Korea to the African country under its program to help less-developed states.

The shipment, reaching over 10 million U.S. dollars, comprises 24 first class passenger cars, three sleepers,

three dining cars, and six generator-container cars, all of which are made of heart-resistant steel.

Explosive Issues Require Parliamentary Stability

SK1209010490 Seoul THE KOREA TIMES in English
12 Sep 90 p 8

[Editorial: "Opposition Boycotts Assembly"]

[Text] The crippled National Assembly has started a 100-day session amid a boycott by the opposition lawmakers. The ruling Democratic Liberal Party [DLP] has failed to induce the opposition into the Assembly, all their efforts being of no avail.

All 69 legislators of the main opposition Party for Peace and Democracy [PPD] and eight of the splinter Democratic Party tendered their resignations from the Assembly in July in protest against the ruling DLP's illicit, blitzkrieg passage of a total of 26 bills through the ongoing Assembly plenary session, amidst acute confrontations between the rival parties.

The ruling party has repeatedly called upon the opposition camp to return to the Assembly, stressing the pressing situation at home and abroad, characterized by political paralysis, the recent inter-Korea premiers' talks and the Gulf crisis. Surely, this host of explosive issues provides some convincing justification for a parliamentary normalization with the start of the regular session.

But the ruling party's "bait" to lure the opposition lawmakers into the Assembly chamber was not so attractive as to make the opposition leaders reverse their intransigent stand. DLP executive chairman Kim Yong-sam in his recent press conference urged the opposition lawmakers to return, promising his arrangement of a "summit" between President No Tae-u, concurrent leader of the ruling party, and main opposition leader Kim Tae-chung.

Kim Yong-sam argued that all bipartisan disputes and related legislative programs could be discussed within the framework provided by the Assembly with the unconditional attendance of the opposition legislators. He suggested his party's concession on the controversial question of the early and overall implementation of the local autonomy system.

Yet, the DLP executive chairman has failed to satisfy PPD leader Kim Tae-chung's particular demand that the No Tae-u government make it publicly clear that the president and his party would never seek a constitutional revision to change the presidential system into a parliamentary cabinet one.

As was anticipated, the PPD spurned the Kim Yong-sam appeal but rather reinforced its demand that the ruling party publicly apologize to the people for the "illegal" passage of the bills, punish Vice Speaker Kim Chae-kwang and the DLP floor leader Kim Tong-yong, who

spearheaded the passage and set up legal and institutional devices to prevent such irregularities in the future.

National Assembly Speaker Pak Chun-kyu returned all resignations to the opposition lawmakers with a statement of regret but of course it fell short of changing their positions. To provide a justification for their Assembly comeback, the ruling party will have to accept all or most of the opposition demand.

To bring the opposition camp to the negotiation table, the ruling party needs to make some drastic concessions either through public announcements or back-stage channels. On the part of the opposition camp, its lawmakers are in fact not so comfortable due to critical public opinion that the Assemblymen are neglecting urgent national tasks, being caught up in partisan bickering.

With the forthcoming second South-North High-Level talks slated for Oct. 16 in Pyongyang and a projected by-election in the Yongkwang-Hampyeong constituency sometime next month, the rival camps may well feel a keen need for parliamentary normalcy. Earnest negotiations for political rapprochement may be necessary, but if it takes too long to unravel the knot, the opposition parties could take the independent action of attending the Assembly, in recognition of the popular mandate and their proper mission.

PPD Refuses To Return to National Assembly

SK0809085090 Seoul YONHAP in English 0641 GMT
8 Sep 90

[Text] Seoul, Sept. 8 (YONHAP)—The Party for Peace and Democracy (PPD) dismissed a ruling party attempt to get it to return to the National Assembly Saturday.

Kim Tae-chung's PPD instead called on the Democratic Liberal Party (DLP) to fulfill the five conditions the PPD had set for normalizing the Assembly.

The conditions include renouncing moves to adopt a parliamentary cabinet system, calling general elections and implementing local autonomy.

The PPD said it will not talk with the DLP until the five conditions are met.

Kim Yong-sam, DLP executive chairman, offered earlier in the day to hold negotiations on normalizing the Assembly and said the DLP was willing to make concessions on issues such as revision of the National Security Law and implementing local autonomy.

All 70 PPD lawmakers, eight other oppositionists and an independent submitted their resignations from the National Assembly to protest the DLP's unilateral passage of controversial bills in July, virtually paralyzing parliamentary politics.

Minister Urges Businesses To Increase Exports

SK0809000390 Seoul THE KOREA TIMES in English
8 Sep 90 p 9

[Text] Trade-Industry Minister Pak Pil-su yesterday instructed business concerns to launch all-out efforts for the expansion of their exports during the remainder of this year.

He called upon them to focus their management strategies on the facilitation of exports on a long-term basis to tide over the nation's stagnating shipments since last year.

He made these remarks in a meeting with representatives from the nation's largest eight general trading companies, 18 export organizations and a number of trade associations at the ministry.

The eight general trading companies are Samsung, Hyundai, Daewoo, Lucky-Goldstar, Hyosung, Sunkyong, Ssangyong and Korea International Trading.

Among the trade organizations that participated in the meeting are the Korea Foreign Trade Association, the Korea Trade Promotion Corporation and the Association of Foreign Trading Agencies of Korea.

Pak said that enterprises should endeavor to expand their exports for the rest of the year to aid in the development of the nation's economy.

He noted the aggravation of international price competitiveness of Korean products and poor technology development has partly contributed to slump in the nation's exports.

However, he said that negligent exports by business concerns is the most glaring problem.

In particular, Pak asked enterprises which have focused their management strategies on the gaining of short-term profits through domestic sales and imports to facilitate their exports.

He called upon business concerns to develop high value-added products in order to survive on the international market.

Pak also told them to exert all efforts to firmly secure their current export markets as well as to explore new markets.

He emphasized that the development of the nation's economy can not be realized without the expansion of exports.

The minister instructed enterprises to strengthen their manpower for exports and take a wide range of steps to cope with the worsening international trade climate.

In the meantime, Pak said that business concerns should avoid excess competition in their advance to the Soviet Union and other new markets.

He pointed out that such competition will consequently result in damages to their exports.

Pak also asked enterprises to be the vanguard for the creation of a healthy consumption atmosphere.

He said that the government plans to provide various tax and financial incentives to business concerns which develop prospective items for exports.

The minister instructed enterprises to dispatch sales promotion missions abroad frequently to expand their exports.

Tariffs on Farm Products for Rural Investment

SK1109010590 Seoul THE KOREA TIMES in English
11 Sep 90 p 8

[Text] All customs duties imposed on the imports of agricultural and fishery products will be used to develop rural areas beginning in 1992, Minister of Agriculture, Forestry and Fisheries Kang Po-song said yesterday.

Under the present law, part of the tariffs levied on imports of agricultural and fishery products is used to develop rural areas.

Minister Kang said that investments in rural areas should be expanded drastically to meet the opening of the nation's agricultural market to foreign suppliers.

Revisions of the law will be submitted to the National Assembly later this year at the earliest for approval, he said in a news conference.

In 1989, customs duties imposed on imports of agricultural and fishery products reached 260.2 billion won, government statistics said.

Korea may have to open its farm markets to foreign goods and reduce farm subsidies, as a result of the Uruguay Round negotiations launched in 1986.

Uruguay Round negotiators are due to conclude final accords in December on all 15 trade sectors, including agriculture, covered by the global talks aimed at freer world trade.

In the news conference, the minister said that value-added taxes levied on assorted feed and equipment for livestock farming will be set aside to assist rural areas.

Value-added taxes imposed on assorted feed and equipment for livestock farming amounted to 182.1 billion won in 1989.

He said the government will promote structural change in the nation's farming sector to meet the market opening which is expected to hit Korea's fragile agricultural industry hard.

The contemplated structural change includes expansion of the size of individual's farmland and the development of technology.

Measures will be taken to improve the quality of major agricultural products, including rice, barley and beef, he said.

He said that fruit, flowers and pork will be developed as items for export.

Minister Kang said that loans to help purchase farmland will be expanded from 15,000 won per pyong to 20,000 won next year. (One pyong equals 3.3 sq.-meters.)

The government will lower electricity rates for the production of tropical products, including bananas, and livestock products, he said.

He said the government will allow business concerns to use state-held rice to produce "soju" (traditional Korean distilled liquor).

The government is suffering from a shortage of warehouses because of the growing inventory of state-held rice.

According to government officials, the storage of 1 million soms of rice for a year at state-held warehouses costs 30 million won. (One som is equivalent to 5.12 U.S. bushels). At present, the amount of state-held rice totals 15.9 million soms.

The minister said the National Agricultural Cooperative Federation [NACF] will be encouraged to participate in the agricultural and fishery processing industry.

The Korea Coop-Trading Co. affiliated with the NACF, the largest farmers' organization in the country, plans to export \$10 million worth of goods this year and \$22 million worth of goods in 1993. Its exports include apples, pears and processed foodstuffs.

Government officials denied newspaper reports that taxes might be collected from people to help develop rural areas.

Labor Shortage Hampers Research Investment

SK1109012790 Seoul THE KOREA HERALD in English
11 Sep 90 p 6

[Text] It is not the lack of money but the shortage of trained manpower that hampers investment in research and development [R&D] most, according to a recent survey.

Of the 100 companies surveyed by the Korea Investors Service Inc., 53 companies said their inability to recruit highly trained people poses the greatest obstacle to R&D investment.

Another 20 companies replied the greatest obstacle is lack of information on technology.

Only 13 companies complained about the lack of funds as the major culprit against R&D investment.

Information on technology is not easily available as was shown by the survey. Fifty-six companies said they get their ideas for technology development from their employees.

The poll showed 85 companies have separate offices responsible for R&D. The rest said they plan to create such offices.

Two-thirds of the companies having R&D departments said they give more favors to people working at those departments than others.

Consumer demand for higher quality goods is the motivation of R&D investment, 43 companies said.

Thirteen companies said they have to promote R&D investments to reduce costs, and 12 companies said they need R&D investments to improve quality for export promotion.

While 26 companies said they will recruit trained manpower for R&D, 64 companies said they will have their employees trained as researchers.

With regard to the government's role in R&D, 30 companies said it has to help finance R&D projects

Another 30 companies said the government should provide information on technology while 24 companies demanded the government train researchers and promote joint R&D projects.

Burma

Students, Monks Demonstrate in Mandalay 10 Sep

*BK1109174990 Rangoon Domestic Service in Burmese
1330 GMT 11 Sep 90*

[Text] At 1535 on 10 September, about 50 monks and 20 students, totaling about 70—flying a fighting peacock banner—staged a demonstration between (Setkhu) and (Htilin) monasteries in Mandalay Southwest township. They threw stones at security forces stationed about 50 yards southwest of the monastery. At the same time, about 100 monks hoisted a fighting peacock banner and staged a demonstration between (Shinmagan) and Mogaung monasteries.

Upon hearing the news of the incidents, two companies of security forces and people's police force members, headed by a deputy divisional police commander, took up positions at the entrance of (Gwaycho) monastery on 26-B road. At the same time some security personnel were reinforced at (Kyauksit) fire station. Some monks among the 100 returned to their monasteries because of the appeal to disperse from near (Gwaycho) monastery by the deputy divisional police commander and party.

At about 1615, some unscrupulous persons started throwing rocks at the (Kyauksit) fire station. Later, the mob increased to about 200 monks and civilians, and they continued attacking the station with rocks. The security forces stationed at the building took up a position at a different place to avoid being hit by rocks. The unscrupulous persons entered the fire station building, broke windows, and destroyed and torched fire-fighting equipment. Two monks were arrested when the security forces cleared the area and took up position at the building again. Responsible personnel from the security forces then issued an appeal and warning through the public address system to stop the disturbances. The mob did not heed the warning and until 1730 threw rocks, hurled objects with slingshots, and threw arson devices to start fires. Three fire engines had to be driven away to safety.

Further requests were made not to throw rocks or to start fires when the tactical operations commander and his group arrived at 1733. The requests, however, were ignored and more rocks were thrown. As night fell at 1800, the security personnel at the (Kyauksit) fire station moved and took up positions at a place away from the monastery. Several monks then entered the station office, destroyed the equipment inside, and locked up the station before departing. At about 2000, the crowds dispersed.

Eleven security personnel were wounded in the disturbances. The windshield of a fire engine was smashed by the rocks, and the equipment inside the fire station was destroyed.

The two monks arrested during the melee were Shin Thagala, 17, son of U Ko Maung, of Shwedinga monastery, No. 2 (Htilin) Building; and Shin Wit, 18, son of U Aung Nyunt, of Sein Pan Myaing Monastery, Thaug Taman Building. Necessary action is being taken against the two.

Dissidents Urge UN To Reject Aid Requests

*BK0909043690 Bangkok BANGKOK POST in English
9 Sep 90 p 5*

[Text] An anti-Rangoon organisation, Democratic Alliance of Burma (DAB), yesterday issued a statement calling for the UN Conference on the Least Developed Countries [LDC] in Paris to reject the ruling State Law and Order Restoration Council (SLORC)'s requests for financial assistance. It also asked the conference to reject the ruling military regime's representatives, reasoning that SLORC has been opposed by the people of Burma.

DAB General Secretary Tin Maung Win said in the statement that the DAB has obtained a document saying that SLORC is to seek financial support at the conference on the LDC in Paris scheduled for September 3-14 in an attempt to replenish its empty coffers. Senior authorities from the SLORC are now in Paris for the conference.

The statement said SLORC is not credible as it has spent the country's reserve for the repression of the people. The statement said SLORC appears incapable of reviving their financial status and their policies have proved a failure. The statement said that the SLORC is not a government, but rather a ruling clique that will not leave despite its defeat in general elections.

The DAB and other opposition groups will also formally request Barber Conable, President of the World Bank, and Michel Camdessus, managing director of IMF to refuse to seat SLORC at the banking conference in Washington.

Opium Seized After Clashes With Rebel Groups

*BK0509144190 Rangoon Domestic Service in Burmese
1330 GMT 5 Sep 90*

[Text] While a frontline column of our Defense Services was sweeping areas in Namtu township, it clashed with a KSLA [Karen State Liberation Army] unit at (Pangyawt) village at about 1215 on 21 August. The insurgents retreated about 10 minutes later, and our side seized three viss [one viss equals about 3.6 pounds] of raw opium left behind by the insurgents when the area was cleared.

Similarly, while another frontline column of our Defense Services was undertaking security duties in Kutkai township at about 1000 on 28 August, it clashed for about 10 minutes with a KIA [Kachin Independence Army] insurgent unit at (Pan Tawng) village. When the area was combed after the insurgents fled, our soldiers seized about one viss of cooked opium.

PRC Narcotics Control Study Mission Departs

*BK0209142590 Rangoon Domestic Service in Burmese
1330 GMT 2 Sep 90*

[Text] A six-member narcotics control study delegation from the People's Republic of China, led by Mr. Yuan Yongyuan, which arrived in Yangon [Rangoon] in the afternoon of 22 August and which discussed and studied drug abuse control programs in Yangon, Mandalay, Lashio, and Pagan Nyaung-u during its stay in Myanmar [Burma], left Yangon at 1330 today.

The delegation was seen off at Yangon Airport by U Ngwe Soe Tun, joint secretary of the Central Committee for Drug Abuse Control and director of Narcotics Division of the People's Police Force, and responsible officials.

Cambodia**Son Sann Sees Continuing Obstacles to Peace**

*BK1209065890 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 12 Sep 90*

[Text] His Excellency Son Sann, president of the Khmer People's National Liberation Front and prime minister of the National Government of Cambodia, called on Vietnam to withdraw from Cambodia and the Heng Samrin regime to release prisoners jailed since 1979.

In an interview with Voice of the Khmer radio's correspondent in Jakarta yesterday [11 September], the excellency said the Jakarta talks had achieved significant headway, but the question of electing a chairman of the Supreme National Council [SNC] remained an obstacle because of Hun Sen's refusal to invite His Royal Highness Samdech Norodom Sihanouk to be chairman as proposed by the five major powers, citing the samdech's request for a six-month period of convalescence.

His excellency Son Sann called on Vietnamese who are still staying in Cambodia to withdraw prior to the United Nations' implementation of the process to restore peace in the country. He also appealed to Hun Sen to set free prisoners jailed in Cambodia since 1979.

His excellency Son Sann left Jakarta for Paris, France, today on his way to New York. He expects to meet the EC Parliament before seeing Cambodian nationals in Paris. In New York, his excellency expects to discuss various issues with UN Secretary General Javier Perez de Cuellar and to hold talks with some U.S. officials in order to make clear the situation in Cambodia.

KPNLF Says 'Too Early' To Assess Accord

*BK1209022590 Bangkok BANGKOK POST in English
12 Sep 90 p 6*

[Text] The Khmer People's National Liberation Front (KPNLF) said yesterday it was too early to assess the impact of the diplomatic breakthrough in Jakarta.

The Phnom Penh government and the three Cambodian resistance factions agreed in Jakarta on Monday to adopt a United Nations peace plan as the framework for the settlement of the Cambodian conflict.

"It is very good for them to endorse the UN plan, but we have to wait and see the attitudes of resistance leaders on ground command," KPNLF spokesman Sopheak Ok Serei said. "We have to be pragmatic because the eleven-year-old conflict can't be solved overnight; a lot more details have to be worked out. We have to see whether or not everyone is sincere," he said.

Asked if Phnom Penh might have an upper hand in the Supreme National Council (SNC) since half of the council's 12 seats will go to Phnom Penh, he said: "We should not focus on the composition of SNC. It should be viewed as a symbol of the unity of Cambodian people; the real power is in the hands of the UN."

Commenting on the absence of Prince Norodom Sihanouk from the Jakarta meeting, the spokesman said he did not know why the prince was not there but respected his decision. "Prince Sihanouk knows very well what he is doing," he said.

The spokesman said it was too soon to form reactions to the agreement, and field resistance leaders had to discuss the matter among themselves before talking to their people.

VODK Demands SRV 'Sincerely' Implement Plan

*BK1209061190 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 11 Sep 90*

[Station commentary: "Only After Vietnam Withdraws All Its Forces Hidden in Cambodia Can It Claim To Have No More Involvement in the Cambodian Problem"]

[Text] On 7 July [month as heard], Ngo Dien, Hanoi's ambassador in Phnom Penh, said the Cambodian problem is now in the hands of the Cambodian people and there is no more problem for Vietnam. This is just a tricky statement aimed at fooling the others that Vietnam is no longer involved in the Cambodian problem in order to avoid being responsible for the Cambodian problem, particularly at a time when the five permanent members of the UN Security Council have set up a plan for solving the Cambodian problem which includes the proposal for the setting up of an interim UN authority to administer Cambodia during a transitional period and a Supreme National Council headed by Samdech Norodom Sihanouk.

Everyone knows that after publicizing a deceitful announcement it has already withdrawn troops from Cambodia, Vietnam has hidden a large number of military and civilian forces in Cambodia. Various intelligence and military sources have kept reporting that Vietnam still has troops in Cambodia despite its claim to have withdrawn all troops.

Since Vietnam still has military and civilian forces throughout Cambodia, can it claim to have no more problem in Cambodia? No. It definitely cannot. Only

after it withdraws all aggressor forces, both military and civilian, from Cambodia under the supervision of the UN Peacekeeping Force jointly with the four Cambodian parties can the Cambodian problem which was caused by the Vietnamese aggression be settled comprehensively and fairly in line with the peace plan of the five permanent members of the UN Security Council. Only then can it be said that Vietnam is no longer involved in the Cambodian problem.

(?We will not refer to) the heinous crimes that the aggressor Hanoi authorities committed against the Cambodian nation and people for the past nearly 12 years, their threat to peace, security, and stability in Southeast Asia, and the havoc they caused to the economy and lives of hundreds of thousands of the Vietnamese people and youths. We will just let the Cambodian and Vietnamese people and world public opinion judge all these heinous crimes of the Hanoi authorities. We only demand that the aggressor Hanoi authorities correctly and sincerely implement the peace plan of the five permanent members of the UN Security Council in order to restore Cambodia's peace, independence, territorial integrity, and the right to self-determination and peace, security, and stability in the whole region.

Philippines

Further Protests, Discussions on U.S. Bases

8 Arrested at U.S. Embassy

HK1209115590 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 12 Sep 90

[Text] Eight protesters against the U.S. military bases were arrested by elements of the Western Police District [WPD] in front of the U.S. Embassy this morning. The sudden protest was in relation to the forthcoming exploratory talks between the United States and the Philippines. According to Captain Honorato Laurel of the WPD General Assignment Section, cause-oriented groups continue to protest against the U.S. bases in the country.

The arrested demonstrators, who face a charge of illegal assembly, are Federico Navea, Maximo Gabon, Jaime Daser, Robert Alduyan, Noel Santo Domingo, Hohrio Mercado, Rey delos Reyes, and Clarinda Avancena.

'Mass Action' Moved Up

HK1209033990 Manila BUSINESS WORLD in English 12 Sep 90 p 12

[By Arnold E. Belleza]

[Text] Threats of mass action on October 1, 1990 by Filipino civilians working in U.S. facilities in the Philippines are now certain and will be moved to an earlier date.

Earlier, the 22,000-strong Federation of Filipino Civilian Employees Associations (FFCEA) had threatened to strike and paralyze the U.S. bases operations

here unless American officials grant a 15%-16% wage increase based on a joint U.S.-RP [Republic of the Philippines] technical wage survey.

FFCEA president Roberto Flores told BUSINESS WORLD that mass actions will definitely be held since American officials have remained unchanging in their position that wage increases can only be granted by a maximum of 3% due to limitations under the U.S. Appropriations Act. The U.S.-RP joint labor committee [JLC] will meet this Friday on the issue of wage increases, but Mr. Flores views this as "merely an exercise in futility" since U.S. officials say legislative changes in the United States will have to be made to accommodate the wage increase.

"For 30 years, the technical wage survey recommendations have been followed by the Americans," he said, "and only now are they involving a law which allegedly sets a limit for U.S. citizens and foreign nationals under their employ." "In July 1989 when the Bases Labor Agreement (BLA) was being reviewed by both Governments, we (the FFCEA) batted for collective bargaining as a means of determining wages and compensation," Mr. Flores said.

However, by invoking the U.S. Foreign Service Act, which provides for technical surveys in such cases, the system was again adopted this year. The technical wage survey pegs base workers' salaries at the median of a random survey of Philippine companies.

By pushing through with the survey despite their knowledge of the provisions of the Appropriations Act, Mr. Flores said "the Americans did not act in good faith." "Garapal talaga ang mga Amerikano (The Americans are shameless)," said Mr. Flores. "Kami na nga lang ang nagpupumilit na ma-retain ang mga bases, gaganituhin pa kami (Despite the fact that the FFCEA is pushing for the retention of the U.S. bases, still the Americans are doing this to us)."

By calling for the JLC meeting, the FFCEA "Is only going to exhaust all options available to us under the BLA," Mr. Flores said. "Kung walang resolution by Friday, tuloy ang aming protesta (if they fail to come out with a resolution this Friday, we are definitely going to protest) immediately after."

Panel To View Jurisdiction

HK0409094790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 4 Sep 90

[By Rey Arquiza]

[Text] The Philippine panel will insist on having complete jurisdiction over every violation against the law committed by Americans inside the bases during the resumption of the military bases talks next week. According to a draft treaty by the executive committee on the bases, the United States must assist the Philippines in arresting American employees in the bases who violate Philippine laws. The talks on the military bases,

which started on 14 to 18 May, will resume 10 to 14 September at the Central Bank of the Philippines on Roxas Boulevard.

A U.S. Embassy official, who requested anonymity, confirmed that the date of the next talks was already agreed upon by the Philippines and Washington. The U.S. Embassy said that Ambassador Nicholas Platt, who is currently on vacation in the United States, and special negotiator Richard Armitage will arrive in Manila before the talks start.

According to the draft treaty the Philippines will seek the removal of Clark Air Base after 16 September 1991 and a three-year extension of the Subic Naval Base contract until 16 September 1994. The draft treaty, expected to be endorsed by Foreign Affairs Secretary Raul Manglapus as the Philippine panel chairman in the next talks, will seek the enforcement of the country's laws, policies, and regulations in the bases. According to the recommendation, any American base employee who violates the law should not be discharged or dismissed from his post, reassigned, or sent out of the country. Instead, the draft treaty urges the United States to assist the Philippines in arresting the particular employee who violated the law. The Philippine panel will also insist that all civilian positions in the military base, except for posts requiring expertise not available in the country, should be given to Filipinos. The treaty also recommends that the same pay should be given to Filipinos as their American counterparts.

Panel Member on Talks Suspension

*HK1109134390 Manila Radio Veritas in Tagalog
1300 GMT 11 Sep 90*

[Text] Health Secretary Alfredo Bangzon stressed today the possible termination of the Republic of the Philippines-U.S. Bases Agreement if no talks were to take place by next January. He said the failure of both panels to formally talk about the possible extension or pull-out would mean disengagement. There is no assurance talks would take place within the month although the U.S. Embassy has said talks would be reopened on the third week of September.

Congressmen Seek Stand

*HK1009150590 Quezon City MALAYA in English
10 Sep 90 pp 1, 2*

[By Raul M. Francia]

[Text] Lawmakers yesterday expressed optimism the government will come out with a definite position on the U.S. military bases before the bases negotiations start on September 17.

Rep. Jose de Venecia (LDP [Struggle of Filipino Democratic], Pangasinan), chairman of the House committee on foreign affairs, said he is hopeful the President will announce her stand soon, adding that the uncertainty has generated confusion in the government's foreign affairs

policies. Mrs. Aquino has maintained her "options-open" policy on the possible stay of the bases after the expiration of the Military Bases Agreement in 1991.

De Venecia said the failure to adopt a position "has tied our hands in handling other pressing problems that the country now faces." He is for a programmed phase-out of the bases.

But the House progressive bloc reiterated its position against the adoption of a new treaty. Rep. Bonifacio Gillego (NUCD, Sorsogon), a member of the bloc, said the negotiation should deal mainly on the mechanics of dismantling the facilities. He said he is convinced Secretary Raul Manglapus is in favor of dismantling the bases. "But his steps are for the gradual phaseout, and to generate for the country incremental benefits from the continued use of the facilities," Gillego added. "Manglapus is of the conviction that the continued stay of the bases serves more the interests of the U.S. than it does for the Filipinos. Its stay supports a government that is totalitarian or dictatorial."

Opposition Members Oppose Talks

*HK1009142390 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 10 Sep 90*

[Report by Jennifer Postigo from Congress—live or recorded; italicized portion in English]

[Text] Members of the opposition are against holding the second round of bases talks in the United States. According to Congressman Albano, the discussions on the future of the U.S. bases would only result in another version of the Manglapus-Schultz agreement. Congressman Albano added that talks should be held in the Philippines to ensure the citizenry could closely observe and scrutinize the proceedings.

[Begin Albano interview] [Albano] *If you remember we already have an experience of the Schultz-Manglapus agreement where it was hastily crafted in the United States by Mr. Manglapus. So, this will put us under the god [as heard] by these, by the Americans.*

[Reporter] [Passage indistinct] why is it like that?

[Albano] They are the ones asking us, why should we give in? We should be the ones acting like king. [end recording]

Meanwhile, Congressman Albano does not think the removal of Ambassador Leonides Caday as a member of the bases negotiating panel is justifiable. Caday was removed from the negotiating panel for leaking information on the government's position on the U.S. bases.

Soviet Official Urges Removal

*HK0409083590 Manila PHILIPPINE DAILY INQUIRER
in English 31 Aug 90 p 6*

[Text] The Philippines can best contribute to the promotion of regional peace and cooperation if it dismantles

the U.S. military facilities here, a top official of the Soviet embassy in Manila said yesterday. Viktor Ivanov, the new minister counsellor of the Soviet embassy, said the growing public clamor for the dismantling of the bases is a positive development toward achieving peace and disarmament not only in the Asia Pacific region but also in Europe.

"In general, we understand the interest of the Philippines. We understand that you have special relations with the United States," Ivanov said. "But our position is if we have no bases in the region, it would promote peace and co-operation," he added.

Manila and Washington will hold on Sept. 10-14 a second round of talks on the future of the U.S. bases. Manila has reportedly prepared a draft treaty which proposes the dismantling of Clark air base and the extension for three more years of the lease on Subic naval base. The RP [Republic of the Philippines]-U.S. Military Bases Agreement expires in September 1991.

Ramos on U.S. Counterinsurgency Equipment Offer

HK0609140590 Manila Radio Veritas in Tagalog
1300 GMT 6 Sep 90

[Text] Defense Secretary Fidel V. Ramos announced that the U.S. has offered equipment for the government's counterinsurgency campaign. However, Washington failed to include in its offer equipment urgently needed by the country like engineering equipment. Included in the list, according to the U.S. Embassy, are helicopters, airplanes, motor vehicles, antitank weapons, and other kinds of arms.

Meanwhile, all American soldiers in the country were once again ordered confined to their respective barracks due to the increasing threats amidst the resumption of negotiation between Manila and Washington regarding the maintenance of the six U.S. bases in the country.

Concern for Workers in Gulf, Oil Continues

Manglapus Admits Food Shortage

HK0609102390 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 6 Sep 90

[By Rey Arquiza—italicized portion in English]

[Text] There are now a total of 14,000 Filipinos waiting to be brought home to the Philippines. This was announced today by Foreign Affairs Secretary Raul Manglapus. He admitted there is now a food shortage at the Iraq-Jordan border, where 3,000 Filipino refugees have encamped after Jordanian authorities closed the border. He said there are 10,000 Filipino evacuees in Baghdad and 1,000 at the Philippine Embassy in Amman, Jordan.

Manglapus explained that although the situation at the Iraq-Jordan border is still under control, it could get worse in the next few days: *The news about the rationing*

of food is worrisome because we are not certain at this point what priorities will be followed in the rationing process, Manglapus said. He added that the most important thing now is to lighten the suffering of the Filipinos at the border. He announced that the DFA [Department of Foreign Affairs] had held talks with the officials of the United Nations Development Program and the International Organization for Migration concerning the issue of stranded Filipinos, specially at the Iraq-Jordan border. Manglapus said that Philippine Airlines decided to send more airplanes to transport the Filipinos, but these were not sufficient as there were many Filipinos waiting to be evacuated. He stressed there are a lot of countries wanting to help the Philippines but have no available aircraft yet to enable them to assist in the evacuation of stranded Filipinos in the Middle East.

Transportation Aid Requested

OW0409180490 Tokyo KYODO in English 1053 GMT
4 Sep 90

[Text] Manila, Sept. 4 KYODO—The Philippines Government requested that 10 neighboring countries provide planes to help it transport about 600,000 Filipino workers trapped in the strife-torn Gulf, the Japanese ambassador said. Philippines Foreign Secretary Raul Manglapus conveyed Manila's request during a meeting with ambassadors of the Philippines' fellow members of the Association of Southeast Asian Nations (ASEAN)—Singapore, Malaysia, Thailand, Indonesia, and Brunei. Also included were Japan, Australia, Pakistan, India and South Korea, said Ambassador Tsuneo Tanaka.

Manglapus explained during the meeting that the national carrier, Philippine Airlines (PAL), can only send three planes to the Middle East, and could not service all the stranded Filipino workers. The Philippines has more than 600,000 contract workers in the Middle East, with 474,472 in Saudi Arabia, 30,000 in Kuwait and 3,194 in Iraq. The figures do not include the thousands of people working illegally in those countries.

The foreign secretary said the request is for the Philippines' neighbors to provide the special flights as aid. But he said Manila would be willing to pay for the chartered flights, if they could not be provided for free.

"This is an unprecedented case, but I would convey the request to the Japanese Government," said Tanaka, who added that he was not sure if there would be legal problems with the arrangement.

Since the August 2 Iraqi invasion of Kuwait, several thousand Filipino workers have already returned to the Philippines.

Manglapus on Free Oil Offer

HK1209065190 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 12 Sep 90

[Text] The Aquino government has rejected Iraq's offer for free oil. According to Foreign Affairs Secretary Raul

Manglapus, the country does not have to take up Iraq's offer because it has sufficient oil and there is no need for an additional supply. He explained that the country was not actually turning down Iraqi President Saddam Husayn's offer, because it had not been officially conveyed to the government. However, Manglapus stressed that there was no need to accept the offer at the moment. He recalled that during his recent mission to the Middle East, both Iran and Saudi Arabia promised to increase oil supply to the country.

Government Ready for Price Protests

*HK1209110390 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 12 Sep 90*

[Report by Jennifer Postigo]

[Text] The government's intelligence community has prepared contingency measures in case reactions from certain sectors become uncontrollable in the event of an oil price increase. This was disclosed by National Security Adviser Rafael Ileto to Congress members and reporters in relation to his attendance at a hearing conducted by the House Committee on Appropriations to defend the proposed 20-million-peso budget of the National Security Council [NSC] for 1991.

According to Ileto, although the government is taking steps to make the people understand that an oil price hike, as well as increases in the prices of other commodities, are inevitable due to the Gulf crisis, the possibility that some extremist groups may take advantage of them cannot be ignored. This is what the intelligence community is presently preparing for, although Ileto refused to disclose the details relating to the said contingency measures. When asked by mediamen why the NSC has not met since August of last year, Ileto said that the convening of an NSC meeting is a presidential prerogative. Ileto was also unable to escape the issue of the possible proclamation of martial law in the country amid fears that reactions from some sectors may be uncontrollable due to the pending oil price hike. Ileto replied by saying that the declaration of martial law will serve as the only means of the government to ensure the laws of the country are implemented properly.

Oil Bill 'Expected To Swell'

*HK1009150990 Manila THE MANILA CHRONICLE
in English 10 Sep 90 p 11*

[By Corrie S. Narisma]

[Text] Higher importation of crude and refined products in the first seven months of the year led to a 12% rise in the country's net oil import bill to \$860.1 million from \$767.2 million in the same period last year. The oil bill is expected to swell further in the coming months as a result of the crisis in the Middle East following Iraq's invasion of Kuwait last August 2.

In July, prices of crude and other oil products averaged only \$14.71 a barrel, or lower than last year's average of

\$116.16 a barrel. But the Gulf crisis had sent crude prices soaring to as high as \$31 a barrel, threatening the economies of country's relying heavily on imported oil.

The Office of Energy Affairs (OEA) reported a 7.5% rise in the volume of imports, both crude and refined oil products, from January to July to 51.03 million barrels from last year's 47.46 million barrels. The bulk of purchases during the period were lifted from the Middle East countries, which accounted for a combined volume of 39.14 million barrels, or nearly 81% of the total supply in the period. This reflected a 14.2% increase over last year's purchases from these countries of 34.3 million barrels.

The oil-rich Saudi Arabia supplied a total of 12.08 million barrels, or one fourth of the country's total crude and oil products supply from January to July this year. This represented a nearly 380% increase over liftings from that country the same period last year.

Dubai followed closely, accounting for 120.68 million barrels, or 22%, of total imports for the period. This showed an 80% improvement over liftings from Dubai last year of 5.9 million barrels.

Combined imports from Iraq and Kuwait reached 10.39 million barrels, or nearly 21% of the total supply from January to July this year. Iraq's share of 3.84 million barrels reflected a 94.6% increase over last year's 1.87 million barrels.

Other Middle East crude suppliers to the Philippines during the period were: Iran, 1.1 million barrels; Qatar, 3.4 million barrels; United Arab Emirates, 633,000 barrels; and Oman, 650,000 barrels.

Purchases from the major oil producing countries in the Asia Pacific region dropped by 17.1% to 8.5 million barrels from 10.254 million barrels last year. Imports from these countries accounted for 17.6% of total supply in the period.

The biggest Asian oil supplier to the country during the seven-month period was Malaysia, which accounted for 4.727 million barrels or slightly higher than its contribution last year of 4.708 million barrels.

Explosion in Army Headquarters 11 Sep Reported

*HK1109150190 Hong Kong AFP in English 1449 GMT
11 Sep 90*

[Text] Manila, Sept 11 (AFP)—An explosive device went off inside the Philippine army headquarters in suburban Manila late Tuesday, [11 September] leaving one car damaged but no casualties, military and police spokesmen said. An army official who spoke on condition of anonymity told AGENCE FRANCE-PRESSE in a telephone interview that the blast occurred at a parking lot in Fort Bonifacio and that a car was damaged but there were no casualties. He gave no other details.

Military guards immediately barred journalists from entering the Fort Bonifacio camp, which adjoins the Makati financial district and plush housing projects that include a number of foreign embassies. Makati police confirmed that there was a loud explosion inside the sprawling camp but said police investigators were also barred from the scene.

A wave of bombings which the government attributed to right-wing military rebels has swept the capital in the past month, causing some damage and slight injuries to several people.

President Corazon Aquino, who has survived six coup attempts, has said military rebels were resorting to terroristic activities because they no longer had the capability to mount another coup attempt.

Army Chief Accuses Rebels

*HK1209071190 Quezon City Radyo ng Bayan
in Tagalog 0645 GMT 12 Sep 90*

[By Josette Olivera]

[Text] Army Chief Major General Guillermo Flores today blamed military rebels for the bomb explosion inside the Philippine Army camp near the Gumamela tennis court in Fort Bonifacio at 1945 [1145 GMT] last night.

Flores said this move by the rightists, comprised of the Reform the Armed Forces Movement-Soldiers of the Filipino and the Young Officers Union, was a desperate act of sowing violence and terror, which, according to him, was due to their failure to recruit members from the Philippine Army's rank and file for their next attempt to launch a coup d'etat.

The incident is the 22d [as heard] explosion in Manila and damaged two cars parked at the Gumamela tennis court. Based on initial findings by the Philippine Army's Explosive Ordinance and Disposal Unit, the explosion was caused by a five-pound bomb with a timer. It was learned that there were no fragments at the location of the incident and that the bomb may possibly be a (C-4) plastic bomb, which was used in recent bombings in various parts of Manila.

Meanwhile, the home of AFP [Armed Forces of the Philippines] spokesman Colonel Juanito Rimando, which is close to the tennis court, was slightly damaged. However, he did not specify the cost of the damage. He also said that the damaged cars belonged to a civilian and retired Captain Mendoza, his former classmate.

Malacanang Says Guards Not Involved in Bombings

*HK0509100290 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 5 Sep 90*

[Report by Dick Sinchongco from Malacanang and Eloi Aquino from Camp Aguinaldo—live or recorded]

[Text] Malacanang emphatically denied reports of involvement by two soldiers of the Presidential Security Group [PSG] in the bombings which have been hitting Metro Manila. President Aquino said in a statement that there was no basis for the report in the PHILIPPINE DAILY INQUIRER. Press Secretary Tomas Gomez III condemned the newspaper for publishing the fraudulent report. He also accused the paper of abusing the freedom of the press.

For his part, PSG Commander Colonel Voltaire Gazmin explained there was not one soldier of the PSG who was captured or involved in the spate of bombings.

Previous to this, it had been reported in the daily that two intelligence operatives of the PSG were detained at Camp Aguinaldo because of their involvement in the bombings which have rocked Metro Manila these last weeks.

Meanwhile, AFP [Armed Forces of the Philippines] Vice-Chief of Staff Major General Rodolfo Biazon denied reports of the capture of two members of the PSG who were involved in the spate of bombings that had hit Metro Manila. Biazon said that the two captured suspects were both employees of the Philippine Long Distance Telephone Company [PLDT] and not the PSG. The two were identified as Engineer Jacinto Jose Dela Cruz and Romeo Panaligan. According to reports, Dela Cruz admitted that Panaligan, a PLDT lineman, was an accomplice in planting bombs at two carnapped PLDT [as heard] which were previously reported missing. In spite of this, the story took on a different twist and Dela Cruz was instead charged with carnapping.

'Small Bomb' Explodes in University Classroom

*HK1209104790 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 12 Sep 90*

[Text] A small bomb exploded at about 0900 today inside a classroom at the University of Santo Tomas [UST] main building, resulting in the disruption of a science class being held at the time.

According to the UST's chief security officer, Mr Tomas Dayrit, the explosion was only as powerful as a big firecracker, although the person responsible for the act understood the bomb-making process because, he said, the explosive, which was taped under the professor's table, had a timing device. Here is part of the interview with Mr. Tomas Dayrit by DZRH:

[Begin recording] This occurred at the main building, room 329. The explosive was like a homemade bomb, small but equipped with a timer, a fuse, and a battery. [end recording]

Biazon Says Army Raid Part of Coup Plot

*HK1209065590 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 12 Sep 90*

[Text] Acting chief of staff Major General Rodolfo Biazon revealed that arms seized from the armoury of V.

Luna Medical Center were intended for distribution to rebel soldiers and their civilian supporters as part of their preparation for the launching of a seventh coup d'etat. General Biazon said last Sunday's incident was the third phase of the rebel soldiers' four-step plan to launch a coup d'etat.

A Camp Aguinaldo source claimed that a new coup attempt to be launched by former Colonel Gringo Honsan's group may occur between 1 and 21 September to commemorate the birthday of the late President Ferdinand Marcos, as well as the 18th anniversary of the declaration of martial law.

Meanwhile, Biazon also confirmed the establishment by RAM-SFP-YOU [Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union] of an armed forces composed of civilians in order to overthrow the current administration.

Admits Lax Security

*HK1109134790 Manila Radio Veritas in Tagalog
1300 GMT 11 Sep 90*

[Text] Although he admitted the raid on the armory of V. Luna hospital was a trap, AFP [Armed Forces of the Philippines] Vice-Chief of Staff Major General Rodolfo Biazon admitted security at the armory was lax and this enabled raiders to bring the arms out freely. Military authorities caught up with the raiders on the street and captured four men.

Biazon visited the V. Luna hospital where he awarded a medal of valor to a soldier who had fought to retrieve the stolen arms. [Begin Biazon recording in English] There had been some individual lapses, but not the whole group. There might have been some individual lapses of security consciousness. [end recording]

Aquino Halts Offensive in Selected Areas

*HK1209065790 Quezon City Radyo ng Bayan
in Tagalog 0600 GMT 12 Sep 90*

[Text] President Corazon Aquino has ordered the military to halt military offensives in selected areas in Northern Luzon which were affected by the earthquake, as well as in the national capital region. The move followed the people's clamour for genuine peace.

The president issued the order after a meeting was held between the government, the military, and peace advocates to discuss the implementation of limited cease-fire in some selected areas in the country. Press Undersecretary Horacio Paredes said that the affected areas are Nueva Vizcaya, Benguet, Mountain Province and Manila. Meanwhile, the rebels are demanding that a formal agenda be drafted before peace talks are held.

Defense Department Suggests Cease-Fire Zones

*HK0509090490 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 5 Sep 90*

[Text] The government has chosen several municipalities in seven areas around the country as priority areas for possible cease-fire zones. According to information from the Defense Department, these places are the Bondoc Peninsula in Quezon Province, Bicol, Cagayan Valley, Samar-Leyte area, Zamboanga Provinces, and the provinces which were hit hardly by calamities like Ilocos and Central Luzon.

In this regard, the president announced her support to the implementation of a cease-fire on some areas, particularly in those gravely hit by the earthquake, instead of the proposed national cease-fire. Although defense and military officials did not agree to this earlier, they now support the president's sentiment. However, they have been very cautious in their final position by proposing a selective cease-fire in order not to delay the official talks of a cease-fire between the government and rebel elements.

De Villa Says Truce With Rebels 'Remote'

*HK0709053390 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 7 Sep 90*

[Text] Armed Forces chief General Renato de Villa announced that the proposed cease-fire between government forces and communist rebels is still a very remote matter. He reminded the public not to put too much hope on the proposed cease-fire.

Meanwhile, the Department of Defense has spelled out the conditions for a proposed cease-fire: The rebels should demonstrate proof of their respect for the unilateral truce; they should write a letter to President Aquino to indicate their desire for an end to hostilities; they should recognize the 1987 Constitution and frame their political agenda in accordance with the stipulated laws; and they should put down their arms and denounce armed struggle.

In a related development, the multisectoral panel on the proposed peace talks met last Wednesday. The group, which included Secretary Ramos and De Villa, formed a working committee to draft the mechanics and conditions for a cease-fire.

Senator Wants No Precondition for Cease-Fire

*HK0609135790 Manila Radio Veritas in Tagalog
1300 GMT 6 Sep 90*

[Text] Senator Aquilino Pimentel stressed that there should be no precondition for a cease-fire. The military wants the rebels to recognize the present Constitution and lay down their arms:

[Begin Pimentel recording in English] No preconditions for the leftists or issues crystalize during the discussion. Afterall, if they cannot really apprehend Gringo

Honasan or the rebels, [words indistinct] alternatives for them to agree to a cease-fire. [end recording]

Aquino on Consultative Group, Amnesty for Rebels

HK0409095990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 4 Sep 90

[Report by Dick Sinchongco from Malacanang—live or recorded]

[Text] President Aquino emphatically rejected the opposition's participation in the multisectoral consultative group which she will convene to tackle the country's problems. The president stressed it was not yet time for opposition members, including Vice President Salvador Laurel, to be included in the group. In her statement, the president said that among the issues to be tackled were rehabilitation after the strong earthquake, threats to peace, the crisis in the Middle East, and matters pertaining to the country's debt.

Yesterday the president said she would meet with the expanded group, which would include representatives from the judiciary, nongovernmental organizations, and religious sectors, instead of the National Security Council [NSC]. The president also emphatically stressed that Vice President Salvador Laurel would not be included in the group even though he was a member of the NSC.

Meanwhile, Malacanang said that it was open to the idea of giving amnesty to all rebels in the country. President Aquino announced that she was ready to closely study and discuss Senator Teofisto Guingona's proposal of amnesty for all communist rebels and rebel soldiers. The president explained that there was a national reconciliation and development program wherein amnesty may be granted to rebels who wish to return to the fold of the government. Under the constitution, the president is vested with the power to grant amnesty, which should be approved by members of the two chambers of congress.

In his proposal, Guingona stressed that granting amnesty to all rebels would pave the way for unity and cooperation in solving the problems and crises the Philippines faces.

Maceda Wants Rebel Soldiers Included in Talks

HK0409142190 Manila Radio Veritas in Tagalog 1300 GMT 4 Sep 90

[Text] Senator Ernesto Maceda believes that the RAM-SFP-YOU [Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union] should be included in any peace talks. Maceda is convinced that these forces are sincere in helping to improve the country's situation. He said this is the right time to hold national peace talks.

[Begin Maceda recording in English] I saw in yesterday's Public Forum even the leftist groups are saying that they do not want a coup and are willing to lie low and not

destabilize the Aquino administration. So, the atmosphere is ripe for talks with all these groups. [end recording]

Anticommunist Group Opposes More Peace Talks

HK0409043790 Manila MANILA BULLETIN in English 4 Sep 90 p 13

[Text] The National Alliance for Democracy (NAD) an umbrella organization of various pro-democratic and anti-communist forces nationwide, expressed strong opposition yesterday to the holding of another round of peace talks with insurgents.

Jun Alcover, a former high ranking member of the Communist Party of the Philippines-New People's Army (CPP-NPA) in the Visayas and now the national spokesman of NAD, said, "If the government would push through with its plan for another round of peace talks, this would give the communists a breathing space to consolidate and recruit more members and a big opportunity to beef up and better align its forces to carry out its revolutionary thrust more effectively. Moreover, propaganda-wise, these talks would be a morale booster since this would mean government recognition of communist belligerent status."

Alcover pointed out that the CPP has two components, independent from one another, namely, the National Democratic Front (NDF) representing the left or the propaganda arm, and the New People's Army (NPA), the right or military arm.

"In the last peace talks, while the NDF was negotiating with the government, the NPA continued to wage its tactical operation against the government forces. In other words, NDF has no control over the NPA, only the CPP, the brain, that controls the left and right components of its protracted people's war," Alcover said.

It would be a grave mistake to hold a dialogue with the NDF or the NPA since neither of the two represents the entire CPP, he continued. The government, he said, should invite and talk to the high-ranking members of the Central Committee of CPP and not just be contented with representatives of NDF. In the past dialogue, the government was deceived; it should not be deluded again into the same communist trap, he said.

Surrenders of Rebel Groups Since 1987 Reported

HK0609101390 Quezon City Radyo ng Bayan in Tagalog 0625 GMT 6 Sep 90

[Report by Josette Olivero From Camp Aguinaldo]

[Text] A total of 10,661 members of rebel groups formerly against the government have responded to the call of national reconciliation and development program since 1987 until July of the current year. This was announced today by Defense Secretary Fidel Ramos at a news conference. Ramos said that of that number, 2,270

were members of the Communist Party of the Philippines-New People's Army [CPP-NPA], while 8,391 were from three factions of rebel Muslims, the Moro National Liberation Front [MNLF], Moro Islamic Liberation Front, and MNLF Reformist Group.

A total of 5,330 arms were surrendered by the communist rebels, while 4,620 arms came from the MNLF. There were also those who applied for the government's amnesty program.

[Ramos recording indistinct]

Over 100 Reportedly Surrender in Capiz 12 Sep

HK1209065990 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 12 Sep 90

[Text] More than 100 New People's Army [NPA] rebels who operated actively in the eight barangays in Sapián, Capiz surrendered to the government today. They took part in a three-day seminar conducted by the National Reconciliation and Development Program in Capiz and swore to abide by the laws of the current government. Brigadier General Reynaldo Jarque, commanding general of the Third Infantry Division, said the NPA members surrendered voluntarily to the government.

Businessmen, Politicians Said Aiding Noble

HK0409044390 Manila MANILA BULLETIN in English 4 Sep 90 p 8

[By Wilma Yamzon]

[Text] A military official said yesterday several politicians and businessmen are giving financial and material support to renegade lieutenant colonel Alexander Noble and his followers. The support has "raised the rebels' hopes and encouraged them to resist arrest," the military official said.

Brig. Gen. [Brigadier General] Miguel Sol, commander of the Philippine Army 4th Infantry Brigade which is spearheading the hunt for Noble and his men, said the Southern Command (Southcom) had monitored the renegade officer calling for support in Butuan City through his hand-held radio.

Sol said he has proof that a number of politicians and businessmen are helping the rebels in the province. He identified two of Noble's supporters as brothers Deo and Lilang Mampitangan. Lilang, he said, is a wealthy businessman engaged in logging in the Agusan provinces.

Sol said military agents had taken several photographs showing Noble meeting with some government officials in Esperanza town days before the renegade officer raided the Army's communication facility in Salug.

Maj. Gen. [Major General] Manuel Dizon Southcom chief said the raid was the last hostile act by Noble's group against the military. This prompted the armed forces to launch "Operation Highlander" to capture the dismissed officer he said.

Dizon said Noble was airing calls in Butuan for support in the form of food, medicine, and other supplies. The supply of Noble's group has been cut off because government forces have practically surrounded the hideout in Salug. He said Noble was made to believe that he will be reinforced by other rebel forces and Muslim separatist guerrillas. "The supposed tactical alliance between Noble and the Moro National Liberation Front fizzled out," he said.

The military said it has discovered the radio frequency of Noble and troops are now trying to track him down as well as his contacts and supporters in Butuan.

Col. [Colonel] Jesus Ranjo, 401st Infantry Brigade chief said Noble was receiving aid and encouragement from civilian supporters but he did not identify them.

Military Ready for Trouble After Oil Price Rise

HK1209112790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Sep 90

[Text] Defense Secretary Fidel Ramos today said the military and the Department of National Defense [DND] are prepared to contain any trouble which may be initiated by the government's enemies if prices of oil products go up.

Before the European Chamber of Commerce of the Philippines, Secretary Ramos stated the AFP [Armed Forces of the Philippines] and the DND are cooperating with other civilian agencies on preparations for a possible exploitation by rightist and leftist rebels of the present crisis gripping the country. According to Ramos, such preparations are being undertaken due to past experiences in which oil price increases were followed by a series of protest movements and other disruptions. Ramos also allayed fears of foreign businessmen regarding the country's security, saying the rightist and leftist rebels could not defeat the joint forces of the Armed Forces and the civilians.

On the issue of the peace talks and cease-fire, Ramos said that the government's enemies should first show proof that they are sincere in their efforts. Here is part of Defense Secretary Fidel Ramos' statement:

[Begin Ramos recording in English] The communists have, through their front organizations, particularly its National Democratic Front, or NDF, which has a network in Europe, and also their network of sympathizers here, have begun to agitate for a cease-fire. The military rebels are likewise calling for a cease-fire. We in government, of course, are always willing to talk peace. But we obviously need demonstrable proofs of their commitment to the peace process before we go ahead to substantive talks. I'm sure you will understand that we cannot allow insurgents and rebels to win by negotiations what they cannot win on the battlefield. [end recording]

Navy Chief Claims NPA Operating Along Coasts

HK0709033490 Manila MANILA BULLETIN in English
7 Sep 90 p 8

[By Lulu Principe]

[Text] San Fernando, La Union—The chief of the Philippine Navy (PN) confirmed yesterday reports that communist rebels are using the coastal areas of the country for their operations, specifically in delivering their guns.

Rear Adm. [Admiral] Mariano Dumancas Jr., flag officer in command of the Navy, said that most of the coastal areas frequently used by the New People's Army (NPA) Bagong Nabal ng Bayan [New People's Navy] (BANABA) are along Manila Bay and in Southern Luzon. He said the government is in full control of the affected areas, adding that "the government forces (Navy) will be beefed up by a group of newly-trained members of the Seaborne Civilian Armed Forces Geographical Units (CAGFUs) which we hope to mobilize shortly." He said the presence of the BANABA in the coastal areas of the Philippines is not alarming primarily because "the communist terrorists cannot operate in the open, and their activities are done through guerrilla warfare."

Dumancas spoke to newsmen after addressing the 13th anniversary celebration of the Naval District 1 Command led by Commodore Bayani T. Matic.

Aquino Appeals for Unity From Labor Groups

HK1109113390 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 11 Sep 90

[Report by Dick Sinchongco from Malacanang Palace—live]

[Text] President Corazon Aquino called on militant labor unions to be one with the government, particularly during times of national crisis. The president said all sectors should be united in the face of the crisis confronting the country.

The president issued the appeal in view of threats by militant labor groups and drivers' associations to launch a nationwide strike once the government raises the prices of gasoline and other oil products. The president also assured the government will take all steps to soften the impact on the people of an imminent oil price increase brought about by the Gulf crisis. She has already ordered the Departments of Trade and Industry, Agriculture, Transportation, and Communications to ensure the supply of basic commodities at economical prices. She also stressed the government is paying attention to energy conservation measures.

Militant labor groups and transport groups are presently gearing up for a nationwide strike following the submission by Caltex Philippines of a petition for higher gasoline prices.

Aquino Explains Laurel's Exclusion From Group

HK0509111590 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 5 Sep 90

[Text] President Corazon Aquino assured Vice President Salvador Laurel that he and other members of the opposition will be invited to a National Security Council [NSC] meeting once that body is convened. However, she explained that the multisectoral group convened to discuss problems and crises in the country is intended to rally support for the government. The president stressed that as Laurel continues to deny support for the present administration, it was useless inviting him to the meeting. The president made the statement after Laurel criticized her for announcing that the vice president would not be invited to attend the multisectoral group.

Legislative Involvement in Debt Talks Rejected

HK0509103890 Manila MANILA BULLETIN in English
5 Sep 90 p 25

[By Ernesto Tolentino]

[Text] The Cabinet has rejected a proposal allowing the legislature to directly participate in debt talks lest this might set a "dangerous" precedent for the Aquino administration's handling of other international negotiations.

According to top administration officials, the Cabinet tinkered with idea of inviting congressional representatives to sit in the government's debt negotiating panel as a way of neutralizing the hardening position of the legislature against the government's current debt service strategy. However, President Aquino reportedly opposed the idea as this might encourage the solons to also try to seek a seat in the Philippine panel assigned to undertake this month negotiations with its American counterpart on the fate of the U.S. facilities operating in the country.

The sources noted that while the Aquino Cabinet has been particularly concerned over the Senate's firmness in calling for a unilateral debt service freeze or adoption of a scheme tying debt service payments to the country's capacity to pay, "Cabinet officials felt that the problem is not that serious to warrant the adoption of such a policy option that could be misinterpreted as a weakness on the part of the Executive Department." Besides, majority of the Cabinet members maintained that the task of negotiating international agreements belongs exclusively to the Executive Department, the sources added.

The Cabinet had earlier considered tapping the services of solons in the debt negotiating panel to "allow them (the senators and congressmen) to gain first-hand knowledge on the processes involved in debt negotiations and to make them appreciate the difficulties encountered by the Philippine negotiators in dealing with the foreign creditors," the sources said.

Thailand

Further Reportage on Jakarta Cambodia Meeting

Hun Sen To Meet Chatchai

*BK1109141690 Bangkok Domestic Service in Thai
1300 GMT 11 Sep 90*

[Text] Suwit Yotmani, spokesman to the Prime Minister's Office, told a news conference this afternoon that Hun Sen, member of the Supreme National Council [SNC] of Cambodia, will arrive in Bangkok at 1530 on 12 September for talks with the prime minister on ways to promote peace in Cambodia after the successful formation of the SNC during the Jakarta meeting. He is scheduled to meet Prime Minister General Chatchai Chanhavan at the latter's residence at 1700 on the same day.

Foreign Minister on Settlement

*BK1109141990 Bangkok Domestic Service in Thai
1200 GMT 11 Sep 90*

[Text] Foreign Minister Subin Pinkhayan granted an interview to journalists today on the Cambodian peace settlement. Asked whether there would be a problem if Prince Sihanouk refused to be president of the Supreme National Council [SNC], Subin said that there should be no problem because another person can be elected to the position. He said that the SNC will have 12 members—six from the Heng Samrin side, and two from each of the three resistance factions. There are two options for the election of the SNC president. He can be one of the 12 SNC members, or he can be an outsider. Therefore there is no problem in this regard.

The foreign minister said that the fighting in Cambodia should end now. Thailand, which is a neighbor of Cambodia, welcomes the development. He said that this would make it possible for Prime Minister Chatchai to realize his policy of turning a war zone into a trade zone. With the formation of the SNC, there will be a proposed plan for a comprehensive settlement of the Cambodian problem. A coordination committee will also be set up, with a representative from Thailand, either at the level of deputy minister or permanent secretary, and the meeting will be held immediately after its formation.

Asked whether Thailand would take part in the international control mechanism, Subin said Thailand has the longest border with Cambodia of any other country and is familiar with the terrain.

Asked about the situation in the Middle East, the foreign minister said it is difficult to analyze. In any case, Thailand has tackled its problem concerning the Thai workers in Kuwait. All have been evacuated. He said that Thailand is the only country to have all its workers evacuated from Kuwait. The remaining 27 do not want to leave Kuwait. There are 2,000 Thai workers in Iraq. Of that number, 900 are under the protection of their employees who will provide them with airline tickets to

return to Thailand. The remaining 1,100 are still working for their employers. They do not want to return to Thailand at the moment, and there is no problem for them concerning food supplies.

'Arduous Road' to Peace

*BK1209005590 Bangkok THE NATION in English
12 Sep 90 p 11*

[Editorial: "No Rosy Future Yet"]

[Text] The Jakarta agreement of the Cambodian leaders this week was widely welcomed as a major breakthrough. This was indeed a heartening development and a crucial step toward ending the 11-year conflict in the war-torn country. But, as already pointed out by some of these Cambodian leaders and other concerned parties, there is still a long arduous road ahead and additional efforts of all will be required to restore peace in Cambodia.

Normally, leaders of the four warring Cambodian factions seldom agree on anything. Sometimes they have bickered over seating arrangements; at other times they spoiled a painstakingly held international conference with their zealous argument over the wording of a joint statement. The latest Jakarta meeting was almost aborted when Phnom Penh leader Hun Sen at first refused to attend if resistance leader Prince Norodom Sihanouk wouldn't go to Jakarta.

Some last-minute manoeuvres by the Indonesian host and other powers finally made the meeting possible. Hun Sen attended because he saw a breakthrough would be favourable for his faction, even though Prince Sihanouk merely sent his son, Prince Ranariddh, to represent him in the meeting.

Over the weekend, the Cambodian leaders managed to cast aside their differences and mutual suspicions and adopt in its entirety the "transitional arrangements" for a comprehensive political settlement outlined by the five permanent members of the UN Security Council. They agreed to let the UN play an active role in Cambodia, from policing a ceasefire and running key ministries to organizing a general election and guaranteeing Cambodia's neutrality.

On Monday, the Cambodian leaders agreed to form a Supreme National Council (SNC) to represent Cambodia during the transition. The SNC will represent the country in external relations and in the UN General Assembly, where Cambodia's seat has been held by the resistance coalition since it was formed in 1982.

At first the Cambodia peace process was bogged down in disagreement on the composition of the SNC. Though Prince Sihanouk and Hun Sen already agreed in Tokyo in June to divide the seats on the SNC equally between the three-party resistance coalition and Phnom Penh, the Khmer Rouge insisted on dividing the seats into four equal parts. The Jakarta agreement finally settled on assigning six seats on the SNC to representatives of Phnom Penh and six others to the resistance.

The composition is less relevant now because all of the SNC's decisions must be based on a consensus among its members. Phnom Penh's numerical advantage on the council will be offset by the election of Prince Sihanouk as chairman and the 13th member of the SNC. The Permanent Five have already stated their joint preference for having Prince Sihanouk lead the council.

The next step is to convince Prince Sihanouk, who this week abruptly took a six-month leave from politics because of ill health, to accept the chairmanship of the SNC. After that a detailed peace agreement will be drafted and the Paris International Conference on Cambodia reconvened to sign the agreement.

With active cooperation of the Permanent Five and the United Nations, the dream of peace in Cambodia will soon become reality. But this doesn't mean a rosy future for post-settlement Cambodia.

The faction which wins the general election and forms a government will have to cope with the hard cold facts that Cambodia is one of the least-developed countries in this region. The country has wasted the entire 1980s and countless number of people, mostly young combatants, in the bloody conflict. What is left is a shattered agrarian economy that in some years could hardly feed its population now estimated at eight million.

One major problem is the landmines strewn throughout the contested countryside and along the Thai-Cambodian border. Another is Cambodia's complete dependence on petroleum imports. Still another, perhaps the most immediate one, is the poor economic infrastructure and basic public utilities.

However, Cambodia's abundant natural resources make rapid economic reconstruction possible. Forests still cover about 70 percent of the country's area; the rest is largely fertile farmland with an abundant supply of water. Most countries in the sub-Sahara region of Africa would be more than willing to trade places with Cambodia.

With sufficient technical assistance, the Cambodian people will certainly be able to stand on their own feet economically within a few years. But first their leaders must have the wisdom to bury their hatchets long enough to let the United Nations and others step in and help restore peace in Cambodia.

'Chances for Success' in Talks

BK0709004590 Bangkok THE NATION in English
7 Sep 90 p A10

[Article by Atthawibun Sisuworanan in Jakarta: "Chances for Success in Khmer Talks"]

[Text] The proposed meeting of Cambodian leaders in Jakarta nearly ended up on the rocks because of a minor oversight. The oversight was a slip in diplomatic protocol but when combined with the deep distrust that affects Cambodian leaders, it proved to be almost lethal.

Indonesian Foreign Minister Ali Alatas admitted that he did not realize that representation of the Cambodian leaders in the meeting had such a farreaching implication. But just because Prince Norodom Sihanouk, leader of the Cambodian decided to stay away from the meeting it came close to being aborted.

The meeting was arranged for the leaders of the four warring parties to come to an agreement on the setting up of the Supreme National Council (SNC) to represent the sovereignty and the unity of Cambodia.

A major breakthrough to the Cambodian problem came when the five permanent members of the United Nations Security Council—the Soviet Union, France, Britain, the United States and China—agreed that the UN should play a major role in administering Cambodia during the transitional period pending a general election. They also agreed that the SNC should comprise eminent personalities representing all shades of thought.

A strong presence of the UN in Cambodia would make the creation of the SNC that much easier. It would also lessen the bickering among the Cambodian factions who have been jockeying for as many seats as possible in the SNC. But as the final touches were being put to the planned meeting, Phnom Penh Prime Minister Hun Sen announced early this week that he would not come to Jakarta if Prince Norodom Sihanouk, titular head of the Cambodian resistance did not show up.

The result was all leaders of resistance factions—Khieu Samphan of the Khmer Rouge, Prince Norodom Ranariddh of the Sihanoukist Funcinpec and former Premier Son Sann from the Khmer People's National Liberation Front—also declared they would shun the meeting.

Caught in a diplomatic bind that he did not anticipate, Alatas began to apply strong pressure on Hun Sen first. He sent a letter dated Sep 4 to Phnom Penh remonstrating that Hun Sen's decision was beyond comprehension and was not conducive to peace. Alatas asserted that the meeting in Jakarta was an informal one under the context of the Paris International Conference on Cambodia [PICC], so the absence of Sihanouk should not cause any problem.

Alatas, as a co-chairman of the PICC, even insisted that Hun Sen had to attend the meeting otherwise he would call it off and shut down once and for all the "last chance" for the Cambodian factions to secure international support for a peace settlement.

An equal amount of pressure was also directed at Sihanouk. There were reports here that France, another co-chairman of the PICC, was in touch with Beijing to persuade Sihanouk, well known as the "mercurial prince," to come to Jakarta. Alatas' last message to Sihanouk might have been probably composed when he called Rannariddh, Sihanouk's son, to his working room in the Indonesian Hotel, the venue of last Wednesday

night's meeting. The following morning (Thursday) Sihanouk announced in Beijing that he would come to Jakarta. So did Hun Sen.

Alatas' pressure on Sihanouk, instead of only on Hun Sen, pointed to his realization of the fact that if he really wanted Hun Sen's cooperation he should also take into account the Phnom Penh leader's wish that the meeting should be conducted between the two contending governments in Cambodia and not among the four warring factions.

Even though Sihanouk agreed to come to Jakarta as a guest of President Suharto and would not likely directly join in the peace talks, it will help save Hun Sen's face as the meeting could be viewed as complying with the condition.

Diplomatic sources said here that with the presence of Sihanouk and Hun Sen in Jakarta the prospect that the meeting would finally arrive at an agreement on the SNC was very likely.

Alatas, however, seemed to be not overly optimistic. Being one of the most experienced in organizing Cambodian meetings which often met with no substantive agreements, he realized that he must best prepare for a fall back position.

The Indonesian Foreign Minister tirelessly met separately with Khieu Samphan, Son Sann, Ranariddh and Hor Nam Hong—several times each during the past two days while waiting for Hun Sen and Sihanouk.

According to a diplomatic source, the meeting would be considered as a meeting of the PICC ad hoc commission on Cambodia as proposed by Sihanouk if the Cambodian leaders could not agree on the setting up of the SNC.

Moreover international support has been called to Jakarta to form a strong back-up team for Alatas to consult with. Apart from senior officials from ASEAN who had shown up here as a symbol of the group's solidarity, Madame Avis, the French Secretary of State for Foreign Affairs, would be presented in the meeting in the capacity of the PICC co-chairman. The special representative of the UN, Deputy Secretary General Rafiuddin Ahmed, will serve the meeting as a "resource person" and Australian (Permanent Secretary of Foreign Ministry) Michael Costello will also be in Jakarta.

The presence of these prominent foreigners would help save Alatas from being blamed if the talks failed.

Nevertheless, organizers of the meeting believe that a chance for success is also still open. With the strong presence of the UN administration in the interim period, the two noncommunist factions had already agreed to have the SNC seats be shared equally between the resistance coalition and the Phnom Penh Government.

Hun Sen who proposed the bipartite SNC, also indicated that he will accept a UN role even though the relationship between the SNC and the UN administering body need to be addressed in further negotiations.

The Khmer Rouge has yet to reveal its stand on the matter. But with reports that Beijing also agreed to the equal representation in SNC, it is likely to follow suit.

However, to bring the Cambodian leaders to agree on the SNC is by no means an easy task. Power-sharing among the Cambodian factions has always been something most difficult to tackle. This was the major stumbling block which spoiled all peace meetings organized so far.

There is still the possibility that each of the factions could manoeuvre to abort the agreement by resorting to technical details, such as protocol or other minor procedural points, as they have done before.

So it was agreed among the organizers of the meeting that they should not aim too high. For the moment, an agreement among the Cambodian leaders to the Perm Five's peace plan and to the composition of the SNC, without digging into its details would be sufficient.

The Cambodian leaders have to learn in Jakarta to put their mistrust in the background and compromise because this would be their final chance to bring peace to their country with international support.

Commentary Urges Settlement

*BK0609014590 Bangkok BANGKOK POST in English
6 Sep 90 p 4*

[Commentary by Supaphon Kanwirayothin in Jakarta, "No Time To Lose, If Leaders of Cambodia Really Want Peace"]

[Text] With pressure from all sides, particularly the superpowers, to accelerate a Cambodian settlement, the Khmer parties simply can not afford to shrug off this chance to reach an initial agreement that would lead to a full-fledged implementation of a United Nations peace plan.

But on the eve of the Jakarta meeting which started yesterday, the Cambodians got off to a bad start and became once again embroiled in the issue of participation.

Phnom Penh Prime Minister Hun Sen said that he would not attend unless resistance leader Prince Norodom Sihanouk was present. In an apparent response, Khmer Rouge leader Khieu Samphan on Tuesday announced that he too would not attend but was prepared, like the Phnom Penh Government, to send a delegation.

On the same day Prince Sihanouk's son, Prince Ranariddh declared that he too would not attend.

Only during Tuesday night did Mr Khieu Samphan and Prince Ranariddh change their minds and leave for Jakarta. The inter-Cambodian talks here—called after

the permanent five members of the United Nations Security Council finalised a framework agreement for a comprehensive political settlement—has put the warring Cambodians on the spot.

The two key players, China and the Soviet Union—along with the United States, France and Britain—last month made a historical achievement by producing an agreement incorporating “indispensable requirements” for a political solution, most importantly, a transitional administration and military arrangement during the period leading to internationally supervised elections. The framework also addressed human rights protection and international guarantees for Cambodia.

The purpose of the Jakarta meeting is to persuade the Cambodian factions to agree to the formation of a broadly-based Supreme National Council [SNC] to act as an advisory body to the United Nations, which would practically run the country during the pre-election phase.

The successful formation of the SNC will in effect settle the issue of Cambodian representation in the United Nations [UN], especially in the upcoming General Assembly.

The tripartite resistance coalition which currently holds the Cambodian seat faces the possibility of losing it as the United States has already announced that it will withdraw support.

The European Community has also announced a similar position.

Jakarta will take the Cambodians to task. As Cambodia and its people continue to suffer from the havoc of war, the outcome of the talks will test and gauge the level of seriousness each side has publicly professed and pledged in ending this tragedy that has become more and more an irrelevant and forgotten issue in a changing world.

The Khmer Rouge has always called for a full United Nations role in the settlement. On the other hand, Phnom Penh—which in the past has categorically rejected the world body's involvement—now appears more open to UN involvement, although with certain reservations.

Phnom Penh President Heng Samrin, reacting to the UN Security Council's plan, said his party's position was still to maintain the “military and political status quo” of Cambodia.

However, the fact that Phnom Penh accepted the plan as a “basic document for future discussion on the principles of respect for the independence, sovereignty and the right to self-determination of the Cambodian people,” could be a heartening sign.

In the statement released after the plan was agreed on last month, the United Nations' Permanent Five urged for the “acceptance of the framework document in its entirety,” as the peace package would require the consent and cooperation of the Cambodian themselves.

Diplomats and analysts have voiced cautious optimism that Jakarta could bring about some kind of progress, picking up the impetus laid by the Perm Five's announcement.

Indonesian Foreign Minister Ali Alatas has said time and again that Jakarta would only play host to any Cambodian informal meeting—after three abortive meetings—if it could detect new flexibility that could lead to progress towards a settlement.

Prince Sihanouk made it clear to Indonesia during talks last month that he would not join the Jakarta talks this time but would instead go to Paris once the International Conference on Cambodia reconvenes to endorse the inter-Cambodian agreement hammered out here.

Mr Hun Sen has said he too would not attend unless Prince Sihanouk attended.

Diplomats cautioned that one should not “read too much” into the absence of Prince Sihanouk and Mr Hun Sen from Jakarta this time. What matters most, they said, is the substance mandated from their respective leaders at the meeting.

They also noted that Phnom Penh, given its reservations on the UN peace plan, could be up to a face-saving exercise. And in a move seen as attempting to add impetus to progress in Jakarta, China and the Soviet Union jointly declared that they were prepared to end all arms aid as part of a comprehensive solution.

If anything, the Khmers must not fail to perceive what this end to the Sino-Soviet strategic rivalry means to them. This positive sign should augur well with the crucial session here. Now that the elements are in place for a possible breakthrough, the warring Cambodian factions must realise that they have to adjust their positions to a changing environment.

Intransigence that has characterised previous talks and which have led the peace process nowhere—until the recent intervention of the superpowers diplomatically—would only spawn further resentment among the world community, which ought to move ahead with other priorities of far-reaching and significant impact than the Cambodian conflict.

Failure to reconcile differences would jeopardise yet another chance to end the suffering of Cambodians both inside the country and the 300,000 displaced persons languishing in border camps.

Vietnam's active cooperation is also called for. Vietnam needs the world's helping hand, which would be extended almost overnight once the Cambodian conflict is settled.

In this light, Vietnam can subtly induce flexibility from its close ally Phnom Penh at this significant phase. As one analyst put it, the attendance of Mr Hun Sen at this meeting does not say anything more than what the

Phnom Penh delegation has in its pocket, which it will display behind closed doors.

An agreement may not be attained in one single shot in Jakarta, but the Cambodians must translate their professed spirit of compromise into tangible action and lend a breath of life into the SNC, otherwise both the Cambodian resistance and the Phnom Penh Government stand to lose as time no longer favours either side.

Dailies Discuss UN Resolution

BK0209054490

[Editorial Report] Two Thai dailies—BAN MUANG and SIAM RAT—on 1 September carry a column and an article discussing the agreement by the five members of the United Nations Security Council on a comprehensive settlement aimed at ending the Cambodian problem.

BAN MUANG's "Tamolo" column on page 5, entitled "A New Formula of the United Nations to Solve the Cambodian Problem," says that the five permanent members of the United Nations Security Council have agreed unanimously to let the United Nations administer Cambodia temporarily, to send a 10,000-member peacekeeping force to control a cease-fire, and to help organize elections and form a new government. This seems to be a new hope for peace in Cambodia. However, the columnist says that it is not easy for this peace plan to work because the four Khmer factions still do not need peace. What they need right now is to seize more territory because territory means power. The plan to set up a Supreme National Council reached during the Tokyo peace talks already became scraps of paper as the Khmer Rouge has rejected it because the Khmer Rouge would be at a position of disadvantage under the plan.

The columnist says that "the United Nations Security Council is proposing a new formula for the formation of a Supreme National Council which comprises important Cambodian figures." But, it will prove a failure. The Phnom Penh regime wants the duty of interim government during the period pending a general election to gain advantages in the election. This, it will not agree with this plan by the United Nations Security Council. The four Khmer factions are trying to seize as much territory as possible for political advantage. The Phnom Penh regime seems to be lucky since it control most of the territory while the resistance forces are trying to fight to control more areas. So, it will be difficult for them to end the fighting.

The columnist suggests "that the Cambodian factions continue their fighting and that the United States, China, and the Soviet Union stop sending food and weapons to help them. One day they will become exhausted, which will result in changes in the leaderships of the four Khmer factions. Until that time, the United Nations can discuss again how it can help Cambodia."

SIAM RAT's page 12 article by Chaiwat Yonpiam, under the rubric "Report" and entitled "The New Avenue For Peace in Cambodia," says that the five permanent members of the United Nations Security Council have jointly drafted a detailed peace plan on setting up an interim government, organizing elections, verifying a cease-fire, and supervising the disarmament of the four factions in Cambodia. This plan, if implemented, will be the most optimistic one by the United Nations. In addition, this world organization will also have to find money for support and come up with measures for strict implementation.

"In practice, the United Nations will oversee the administration of Cambodia after a general election is held for the formation of a new government. This differs from other resolutions of the United Nations because it is supported by the five permanent members of the United Nations Security Council, which is the best hope for peace in Cambodia," the article says.

The article continues to say that in principle all resistance factions welcome this plan drafted in New York this week. However, Phnom Penh Prime Minister Hun Sen will make a big political sacrifice if he accepts this plan because he must share his political power, something he has been trying to avoid. Moreover, Hun Sen must honor the agreement he concluded with Prince Sihanouk in Tokyo in June on dividing a National Supreme Council into two parts—the Phnom Penh regime and the resistance group. This is understandably why the Phnom Penh Government reacted cautiously toward this agreement drafted in New York. The article adds that "Speaking straightforwardly, the Phnom Penh Government stands to lose the most under this plan, at least in the short term, hence Hun Sen's reluctance to accept it. If the Soviet Union, an important supporter of the Phnom Penh Government, signs the agreement, the Cambodian prime minister will have no choice but to go to Jakarta, Indonesia for another round of peace talks on Cambodia in September. The success of this meeting will pave the way for peace in Cambodia."

Athit Party Asks More Posts in Chatchai Cabinet

BK0909042290 Bangkok THE NATION in English
9 Sep 90 p 2

[Text] The Puangchon Chao Thai Party has proposed that Prime Minister Chatchai Chunhawan appoint one of its MPs to the team of prime minister's advisers and another to a political post attached to the PM's Office, an informed source said yesterday.

The source said Puangchon Chaotai leader Gen Athit Kamlang-ek, who was made a deputy premier in the recent Cabinet reshuffle, has already sent a list of candidates to Chatchai.

Gen Athit has named Puangchon Chaotai secretary general, Bunyong Watthanaphong, and Col Winai Charoenchan, a Ratchaburi MP, as his nominees for the advisory post. Pracha Bunyanet, a Loei MP, Prathip

Krithawet, Nakhon Rathsimma MP, and Wichian Khakham, MP for Udon Thai, were named for the MP's Office's post, the source said.

The source added that Bunyong was dissatisfied with the Cabinet shake-up because he was not given a Cabinet post despite his being party secretary general. Nakhon Ratchasima MP Suwat Lipataphanlop, a Puangchon Chaothai MP from Nakhon Ratchasima, has been appointed as a deputy minister of the Transport and Communications Ministry and Prayun Suraniwong, an MP from Udon Thai, was made deputy public health minister in the mid-term Cabinet change.

The source said the Puangchon Chaothai MPs believed that they should be given the post attached to the PM's Office and the post of PM's adviser as has been done with other government coalition parties.

Chatchai Assigns Tasks to Five Deputies

*BK0509015790 Bangkok THE NATION in English
5 Sep 90 p A2*

[Text] Prime Minister Chatchai Chunhawan yesterday formally assigned responsibilities to his five new deputies, an announcement from the PM's Office said yesterday.

The announcement was dated Monday and presented to the Cabinet meeting yesterday, its second after the reshuffle.

The first Deputy Premier Pramuan Saphawasu, a deputy leader of the ruling Chat Thai party, was assigned to oversee the Finance, Industry and University Affairs ministries.

He will also be in charge of the Technical and Economical Cooperation Department and the Electricity Generating Authority of Thailand which are under the PM's Office, the announcement said.

Pramuan, who appeared upset first when he lost his post to non-partisan Finance Minister Wiraphong, will also act on behalf of the premier in his absence counter-signing Royal commands on every issue except those related to the Defence Ministry and matters that might affect national security.

During the period, Pramuan will also sign all officials documents to the president of Parliament and the House speaker.

Pramuan, who shed tears when he learnt of the reshuffle, was reportedly happy with the responsibilities entrusted to him.

Thongyot Chittawira, who is second deputy and is a deputy leader of the Social Action Party [SAP], will oversee the Foreign, Communications and Commerce ministries.

Thongyot, a new minister, is also in charge of the Office of the Auditor General of Thailand and the National

Statistical Office. He was appointed in place of another SAP deputy leader Phong Sarasin who was dropped in the reshuffle.

The third deputy, Sanan Kachonprasat who is secretary general of the Democrat Party, is in charge of the Agriculture, Science and Public health ministries as well as the Office of the National Education Commission and the Public Relations Department.

He swapped posts with Agriculture Minister Chuan Likphai, a Democrat deputy leader. The post swap followed forest encroachment scandal and other corruption charges levelled by the Opposition against Sanan.

Gen [General] Mana Rattanakoset, deputy leader of Ratsadon Party and the fourth deputy premier, was given the responsibility of overseeing the Education Ministry, the National Youth Bureau, the Sports Authority of Thailand and the Zoological Park Organization.

Mana lost his post as education minister to his party leader, Gen Thianchai Sirisamphan, a former deputy premier. Before the reshuffle the Education Ministry was hard hit with charges of corruption and inefficiency in the last no-confidence debate.

The last deputy prime minister, Gen Athit Kamlang-ek, leader of the Puangchon Chao Thai Party, will supervise the Counter Corruption commission and the Office of Narcotics Control Board.

Athit, a former army chief and supreme commander, will act on behalf of the prime minister in his absence over the Secretariat of the National Security Council and the National Intelligence Agency.

Chatchai Gives New Duties to PM Ministers

*BK0509021590 Bangkok BANGKOK POST in English
5 Sep 90 p 6*

[Excerpt] Prime Minister [PM] Chatchai Chunhawan has assigned the seven ministers attached to the Prime Minister's Office to various responsibilities, effective from Monday.

—Boon-ua Prasetsuwan takes charge of the Counter-Corruption Commission, the Civil Servants Commission, the Office of the Permanent Secretary of the Prime Minister's Office and bureaucratic regulations.

—Kon Thappharangsi takes charge of the Office of the Narcotics Control Board, the Board of Investment and the Tourism Authority of Thailand.

2—Prasong Buranaphong takes charge of the Department of Technical and Economic Cooperation, the Electricity Generating Authority of Thailand and the Sports Authority of Thailand.

—Chaisiri Ruangkanaset takes charge of the Auditor-General's Office and the National Statistical Office.

—Suphattra Matsadit takes charge of the National Education Bureau and the Public Relations Department.

- Col [Colonel] Phon Roengprasoetwit takes charge of the National Youth Bureau and the Zoological Organisation.
- Chaloem Yubamrung takes charge of the Budget Bureau, but not budget approvals, and the Mass Communications Organisation of Thailand. [passage omitted]

Daily Comments on Role of Military in Democracy

BK0209124690 Bangkok MATICHON in Thai
1 Sep 90 p 8

[Editorial: "The Armed Forces and Democracy"]

[Text] Lieutenant General Narudon Detpradiyut, director of the Supreme Command Information Office, said officially that the military is not an outside force, but a force within the system, with full discipline and determination for defense of the nation. The military has the duty of supporting the legitimate government of the country. The statement paraphrased the Constitution and also reiterated the military leaders' vow to eschew politics.

The military as an institution is a government apparatus. In addition, it controls a vast resource of manpower, has a well-organized command hierarchy, and is guided by the strict discipline and spirit of seniority and leadership. In particular, it controls a large body of effective armaments. This is why outsiders always look to the Armed Forces with respect as well as consternation. In each crisis, the Army becomes the focus of attention. The people want to know which direction the military will pursue. From this point of view, it cannot be denied that the military, like other power groups within the political system, is capable of influencing the course of action or development via political pressure.

A large number of military leaders are members of the senate, and thus considered representatives of the people according to the Constitution. Those military senators can directly exercise their rights in the Senate in a way that influences the course of political developments in their direction—be it independently or under instruction from their superiors—guided by their sense of public or private interests, choosing to be on the side of the government or the opposition.

Nevertheless, the military must not allow this political role, which is given to them legitimately under the Constitution, to be exploited by any particular individuals in order to serve the interests of certain groups or to influence certain courses of development which will lead to a situation that threatens the security of the government and the democratic system, which is now steadily developing.

The members of the Armed Forces must correctly understand their rights and duties under democracy. They must accept the authority of checks and controls asserted by other institutions. They must accept criticism from social institutions. The Armed Forces serve the interests

of the nation, not of any particular leader. The Armed Forces must therefore make themselves accessible to checks and controls by other institutions in a sincere and straightforward manner. They must not harbor the attitude that others cannot touch the military. If the military could adjust to that democratic trend, then its proposals and criticism concerning national issues would receive a broad response from other institutions. In this manner, we can little by little solve the problem of the military's poor image, which is caused by misunderstanding. It would be replaced by the harmony forged with other institutions. This will lead to a harmony between the military, which is a state apparatus, and the government, which is the executive body under the Constitution.

Editorial Points to Chatchai 'Political Weakness'

BK0109042890 Bangkok THE NATION in English
1 Sep 90 p A10

[Editorial: "Under Siege in His Own Party"]

[Text] Prime Minister Chatchai Chunhawan's political weakness is in his lack of a power base of his own inside the Chat Thai Party. This makes him rely precariously on Interior Minister Banhan Sinlapa-acha, secretary general of the core government party. Now, in the wake of a renewed challenge to his leadership inside the party, the prime minister has to hold on to Banhan and placate other senior Chat Thai executive members.

First he appointed deputy Chat Thai leader Gen Han Linanon chairman of the PM's advisory board. Though Han has said he was "satisfied" with this ceremonial post, his followers were upset that none in their faction of 9 MPs [members of Parliament] was given a Cabinet post.

Next the prime minister let Pramuan Saphawasu preside over the first Cabinet meeting of the Chatchai II administration yesterday, presumably just to convince—who wept over his transfer from the finance minister post—that his new post of the first deputy prime minister is more significant than widely believed. Pramuan can now look forward to the days when the prime minister goes on an overseas trip when he will be appointed acting-premier.

Earlier there were reports that Banhan might be moved out of the powerful interior portfolio. But Banhan vehemently dismissed the reports, insisting that he would continue to be interior minister until the end of the four-year term of this administration in mid-1992. Indeed Banhan was unaffected in the latest Cabinet reshuffle which saw sweeping changes in other major ministries, including agriculture, finance, foreign affairs and commerce.

The sudden Cabinet reshuffle caught most other senior Chat Thai executives by surprise. Industry minister Praman Adireksan, though unaffected, openly questioned the wisdom of such a move. The 77-year-old chief adviser of the party now says he is in good health. This is

clearly his none-so-subtle way of reminding his followers that he is ready to regain the top party post which he relinquished to the prime minister in 1986.

One of Praman's supporters is Deputy Interior Minister Sano Thianthong, who has firm support from four other Chat Thai MPs from his Prachinburi home province. Sano is known to prefer Praman to Chatchai as party leader and prime minister.

As the Chatchai-Banhan camp struggles with the Praman-Sano camp for control of the party, a third faction of former Justice Minister Sa-at Piyawan can play a decisive role. Sa-at leads about 20 Chat Thai MPs in the "Yuttitham" (Justice) faction, formed to demand Cabinet posts for him and his major followers. Sa-at was very upset he was left out of a Cabinet for the second time in a row in this week's Cabinet shakeup.

Also important is Pramuan, who is deputy leader of the party. Pramuan may not have as many followers inside the party as Sa-at, but he has a reputation of being very generous to all of his political friends from all parties. His wealth is comparable to that of Banhan.

Should Praman's challenge for the top party post materialize and infighting escalate, the prime minister can count only on Banhan to help him maintain control of the party. His resourceful policy advisers are not known to have any influence inside the party. Neither has M.R. Kukhrit Pramot, leader of the Social Action Party and an ardent supporter of the prime minister. The "Guru of Suanphlu" is not so popular among the Chat Thai MPs.

The prime minister holds the ultimate power to dissolve the House and call a snap general election. However, he may not want to make this drastic move as it will open a golden opportunity for ex-army chief Gen Chawalit Yongchaiyut to enter the national political arena and vie for the premiership.

Now the prime minister is virtually under siege inside his own party where discontented factions are making demands that he will find harder and harder to meet.

Cabinet Approves Oil, Energy Saving Measures

*BK1109150990 Bangkok Domestic Service in Thai
1200 GMT 11 Sep 90*

[Text] At its meeting today, the Cabinet approved in principle oil and energy conservation measures jointly proposed by concerned agencies. The measures include speeding up the promulgation and implementation of the Energy Conservation Act; controlling the use of official cars and limiting oil consumption; reducing, by 25 percent, transportation by truck, to be replaced by rail and river transport. The government agencies, state enterprises, and general public will be encouraged to reduce energy consumption. Air conditioners should be adjusted to an appropriate temperature level and limited only to need. All television channels will be allowed to

stay on the air until 2400 nightly. The public is encouraged to drive small passenger cars.

The Cabinet also accepted in principle the draft bill on automobile use, which prohibits running cars with engines that emit gas, dust, or chemical substances, or emit noise in excess of the limit allowed by law. This is in order to solve the problems of air and noise pollution.

Paper Views Prospects for Bush-Gorbachev Summit

*BK0709003190 Bangkok THE NATION in English
7 Sep 90 p A10*

[Editorial: "Bush-Gorbachev Summit"]

[Text] The meeting in Helsinki on Sunday between Presidents Bush and Gorbachev will be a crucial first test of the carefully-cultivated working relationship between the two leaders. One mistake by either of them could wreck the post-Cold War honeymoon, and stir up old suspicion and hostility between the two superpowers.

Bush abruptly sought this meeting with Gorbachev because he needs additional Soviet support in the Gulf crisis. But Gorbachev will likely be very reluctant to help, especially at a time when some West European countries are refusing to send more forces or share the skyrocketing costs of deploying the multinational (predominantly US) forces already in the region. Direct large-scale US economic assistance to the ailing Soviet economy, which the US had declined to give, may not be sufficient enough incentive to sway Gorbachev.

In fact Moscow may have already done the most it could under existing constraints. It joined all the others on the UN Security Council in condemning the Iraqi invasion of Kuwait and demanding the Iraqi withdrawal. It also endorsed the Security Council's resolutions on economic sanctions against Iraq and occupied Kuwait, and to use "necessary force" to implement the naval blockade.

Moscow does not recognize the Iraqi annexation of Kuwait and at first refused to close its embassy in Kuwait City. Later the Soviet staff embassy was evacuated to Baghdad.

Unlike Americans and most other Westerners, Soviet citizens in Kuwait and Iraq were not rounded up. About 500 Soviet people were evacuated from Kuwait because of growing economic hardships and the threat of war. But there are still about 9,000 Soviets in Iraq, many of whom are military advisers and their families who have not been recalled even though Moscow has formally stopped all arms supplies to Baghdad early last month.

The rapid buildup of US forces in Saudi Arabia and in the Gulf must have alarmed Soviet military leaders. In just one month's time, the US has sent about 100,000 troops and three aircraft carriers to the Gulf region. US commanders are talking about deploying up to 250,000 troops and thousands of tanks and heavy artillery.

Bush and Secretary of State James Baker have talked about maintaining the US military presence after the crisis is over in order to serve as a foundation of a new "regional security arrangement" in the highly volatile region. But in Saudi Arabia, the US military presence is tolerated as a necessary evil rather than a welcome saviour. Indeed the Saudi monarchy has already come under scathing attacks from Muslims who see the presence of US forces as sacrilege to the shrines of Mecca and Medina. Saudi leaders have openly asked US commanders not to launch offensive operations against Iraqi forces without their consent.

Apart from the "regional security arrangement," the Bush administration is also talking about stopping the proliferation of chemical weapons, long-range missiles, and nuclear and biological weapon technologies in the region. But Iraq started producing chemical weapons in the early 1970s. It has dozens of Soviet-made Scud medium-range missiles in its arsenal. And Iraq may be able to start producing nuclear and biological weapons in three to five years. Saddam Husayn wants them because he believes Israel has long acquired these military technologies, if not the weapons themselves.

Apart from Israel, few other countries want to see a long-term US military presence in any Gulf country. Saudi Arabia will "invite" the US forces to leave as soon as the situation improves. The Soviet Union will be unlikely to support the US-proposed "regional security arrangement" which involves a sizeable US military presence in the Gulf region, which literally is the Soviet Union's troubled backyard.

Before addressing these longer-term issues, Bush and Gorbachev will have to discuss how to avoid a bloody war in the Gulf. Moscow has called for a negotiated settlement as it has nothing to gain from the destruction of Iraq and downfall of Saddam Husayn in a war. Iraq is a major debtor of the Soviet Union and Saddam Husayn is a "friend" of Moscow.

But how can there be a settlement when Saddam Husayn refuses to withdraw from Kuwait?

Gorbachev will have to answer this question if he wants to dissuade Bush from overthrowing Saddam Husayn, militarily or otherwise.

The Helsinki summit is Gorbachev's opportunity to demonstrate his statesmanship to help save not only Bush and the US but also Saddam Husayn and Iraq, and indeed the entire world from a disastrous and bloody war in the Gulf.

In return, Gorbachev can expect more sincere efforts by the US and the Western world in assisting him and the Soviet Union in economic reform.

U.S. Citizen Arrested on Heroin Charge

*BK0309130090 Bangkok THE NATION in English
3 Sep 90 p A5*

[Text] Customs officials arrested an American at Don Muang Airport yesterday for allegedly possessing about 1.3 kilogrammes of heroin.

The Customs Department said 15 bars of compressed heroin were found in the suitcase of Gregory Lamont Gaskin, 45, yesterday morning after he was stopped at the airport customs checkpoint before boarding a plane to the United States.

The seized heroin was estimated to be locally worth Bt260,000 but could fetch a ten-times higher price if distributed in the US, said the department.

The department said the suspect confessed that he was paid to carry heroin from Thailand for the first time adding that he had to take the illegal job because his family is in need of money.

Nigerian With 11 Kg Heroin Arrested

*BK0509013990 Bangkok THE NATION in English
5 Sep 90 p A2*

[Text] Narcotics suppression police and US drug enforcement officials arrested a Nigerian man yesterday at a hotel on Sukhumvit road and seized about 11 kilogrammes of heroin.

The suspect, Surajubeen Adekunle Cawal, 36, was charged with trying to smuggle the heroin out of the country.

Police said the heroin was found in cans of spray starch and over 400 felt-tipped pens during a search of the suspect's room in the Middle East Hotel in the Nana Nua area.

According to police, Cawal and his accomplices, who are still at large, were preparing to smuggle the heroin out of Don Muang Airport to the Nigerian capital of Lagos.

Vietnam

Further Reportage on Jakarta Cambodia Meeting

NHAN DAN on Accord

*BK1209080590 Hanoi VNA in English 0654 GMT
12 Sep 90*

[Text] Hanoi VNA Sept. 12—The national daily NHAN DAN in a commentary today describes the agreement reached by the Cambodian parties in Jakarta on Sept. 10 as a pivotal point in the search for an overall solution to the conflict in Cambodia.

The paper goes on:

"This document provides an important foundation for the resumption of the Paris international conference on Cambodia. The process of settling the Cambodia issue which started by the Paris conference must continue to unfold within the framework of the conference."

"Through the Jakarta meeting," NHAN DAN says, "the world public has all the more clearly understood the State of Cambodia's goodwill and its efforts to surmount major obstacles... With its high sense of responsibility and with constructive and flexible attitude, the delegation of the State of Cambodia headed by Chairman Hun Sen has made considerable contributions to the success of the meeting. However, there remain not a few difficulties and obstacles on the way leading to a political solution to the Cambodia conflict. To overcome them, all parties concerned will have to make painstaking efforts and further promote their goodwill."

The paper notes: "A participant in the Paris international conference, Vietnam will do all it can to contribute to the success of the conference to achieve an overall political solution to the Cambodian issue in the interests of peace, stability, and cooperation in Southeast Asia and elsewhere in the world."

Radio Notes Acceptance of Plan

*BK1109110390 Hanoi International Service in English
1000 GMT 11 Sep 90*

[Text] An informal meeting of the Cambodian parties was held in Jakarta on Sunday and Monday [9-10 September] under the chairmanship of the two co-chairmen of the Paris International Conference on Cambodia, namely Indonesian Foreign Minister Ali Alatas and French Deputy Foreign Minister Madame Avice.

Chairman Hun Sen represented the State of Cambodia. The Coalition Government of Democratic Cambodia sides were Son Sann, Khieu Samphan, and Norodom Ranariddh.

Deputy Secretary General of the U.N. Rafeeuddin Ahmed was also present at the meeting.

On Monday, all Cambodian sides accepted the framework document formulated by the five permanent members of the UN Security Council. A joint statement was released at this meeting.

Commentary Welcomes 'Success'

*BK1109162590 Hanoi Domestic Service in Vietnamese
1430 GMT 11 Sep 90*

[Commentary by station editor Duong Quang Minh: "We Welcome the Success of the Jakarta Informal Meeting"]

[Text] The joint statement of the 10 September 1990 Jakarta meeting is a fine agreement on the path toward a political settlement to the Cambodian issue. To achieve this result, the Government of the State of Cambodia participated in the meeting with a high sense of responsibility, in the view of the general public.

This point has been reflected throughout the process: Together with other countries and parties concerned, the State of Cambodia has found an appropriate formula to solve the Cambodian problem in conformity with the interests of the Cambodian people, taking into consideration the needs for peace and development of the Southeast Asian region as well as of the world community as a whole.

Immediately after the five permanent members of the UN Security Council issued their resolution on the Cambodian conflict, the Government of the State of Cambodia quickly expressed its sympathetic and welcoming attitude. And to contribute to quickly implementing this resolution, Hun Sen, chairman of the Cambodian Council of Ministers, and other members of the Cambodian Supreme National Council on the side of the State of Cambodia, arrived in Jakarta to participate in the informal meeting of Cambodian parties. Here, the delegation of the Cambodian Government cooperated with various countries and factions concerned in achieving a lofty goal, that is, the solution of the Cambodian problem via peaceful means. Following the issue of the joint statement of the Jakarta informal meeting of Cambodian parties, at a news conference in Jakarta, Chairman Hun Sen joyfully affirmed: The Jakarta statement is the best agreement ever achieved.

In view of the success of the Jakarta informal meeting of Cambodian parties, the stance of the Socialist Republic of Vietnam is clear: Vietnam expresses its welcome and support. In its statement, a spokesman for the SRV Foreign Ministry said: Proceeding from the principle that Vietnam respects the independence, sovereignty, and the right to self-determination of the Cambodian people, Vietnam welcomes the 10 September 1990 decision of the Cambodian parties in Jakarta in response to the agreement of the five permanent member countries of the UN Security Council on a political solution to the Cambodian issue. The compromise among the Cambodian parties is a decisive step toward holding the Paris International Conference on Cambodia.

Together with countries participating in the Paris International Conference on Cambodia, Vietnam will do its utmost to contribute to the success of the conference and to attaining a comprehensive political solution to the Cambodian issue.

With the results obtained at the Jakarta informal meeting this time, the process of establishing the Cambodian Supreme National Council is regarded as over. Naturally, the quest to bring peace to the people and the country of Cambodia will have to continually overcome numerous impediments and obstacles. But what should be affirmed is that all political solutions to the Cambodian issue must be selected in a disinterested fashion and based on the principle of respect for the sovereignty and the right to self-determination of the Cambodian people.

We look forward to seeing the early convening of the Paris International Conference on Cambodia where all

the questions raised in the documents of the five UN Security Council permanent member countries will be discussed substantially, fully, and scrupulously.

Do Muoi Receives Outgoing GDR Ambassador

*BK1209041590 Hanoi VNA in English 1454 GMT
11 Sep 90*

[Text] Hanoi VNA Sept. 11—Chairman of the Council of Ministers Do Muoi received here yesterday Ambassador of the German Democratic Republic Dietmar G. Fach who paid him a farewell visit before ending his term of office in Vietnam.

Chairman Do Muoi had a cordial talk with the outgoing ambassador.

Ho Chi Minh Banquet With U.S. Guests Recalled

*BK1109101790 Hanoi Domestic Service in Vietnamese
0015 GMT 9 Sep 90*

[Story by The Ky recalling a get-together between Uncle Ho and some American guests before independence day in 1945]

[Summary From Poor Reception] "The autumn of 1945 began with a memorable event. On the evening of 1 September, on the eve of independence day, President Ho Chi Minh hosted a banquet at Bac Bo Palace in honor of a U.S. delegation. Perhaps this was the first banquet hosted for international guests by the Vietnamese Government. Since then, it has become a rule for our country to hold banquets in honor of international guests on the evening of 1 September every year.

"In fact, this was a cordial dinner without ceremonial etiquette between Uncle Ho and his friends on the occasion of the nation's festive day. (Perkins) and (Peleski) walked all the way from the Metropole Hotel to Bac Bo Palace, where Uncle Ho, Comrade Vo Nguyen Giap, and Comrade (Pham Minh Tan) were on hand to receive them."

After the dinner, some cadres left to make preparations for the ceremony to declare independence the next day. The remaining five persons—two guests and three hosts—then sat around a table sipping coffee.

"In an affectionately cordial gesture, Uncle Ho poured coffee into the cups of the guests as he began the conversation by expressing gratitude to the U.S. Government for the valuable assistance given to the Viet Minh during the period of resistance against the Japanese in the war zone. He also expressed the hope that this spirit of friendly cooperation would continue to develop under a new situation.

"Uncle Ho revived his memories of General Chenault, commander of the U.S. 14th Air Force Wing in China, and particularly of his American friends in the Deer Group [TOANS CON NAI] led by Major Thomas at Tan Trao. (Perkins) also recalled the days he met Uncle Ho in

Kunming. Meanwhile, Comrade Vo Nguyen Giap vividly recalled the Vietnamese-American company founded by Uncle Ho in Tan Trao and its achievements in the battle against the Japanese in Thai Nguyen."

Later, the Uncle switched the conversation to political and diplomatic issues, trying to make known to the representatives of the United States of Vietnam's stand, which still could not be declared to the world because it had just seized power from the Japanese.

"After praising the great President Roosevelt for his clear-sightedness in declaring recognition of the right to self-determination of all nations and all liberation movements, Uncle Ho rejected allegations by some Western mass media that Viet Minh was a communist movement representing only a minority. He affirmed that Viet Minh was a national democratic movement which included all revolutionary parties and represented the people of all strata in Vietnam."

The American guests were surprised and filled with delight when the provisional president of Vietnam touched on the relations between Vietnam and the United States in the days ahead.

Uncle Ho said: "In the near future, we would like American specialists and technicians to help us set up a number of industries that could be handled by Vietnam." He added: "Now that their country has enjoyed independence, the Vietnamese people have a great desire to visit foreign countries, especially South America, as I wished to do a long time ago."

The American guests voiced their total support for the views expounded by Uncle Ho and promised to quickly convey them to the U.S. Government.

"It is regrettable, as we already know, that after the death of Roosevelt, the U.S. foreign policy under President Truman was shifted to another direction. However, through the first banquet given in honor of international guests by Uncle Ho 45 years ago, we can see how clear the vision of our leader of genius was."

Do Muoi Receives U.S. Magazine Newsmen

*BK0309041290 Hanoi VNA in English 1519 GMT
2 Sep 90*

[Text] Hanoi VNA September 2—Chairman of the Council of Ministers Do Muoi received here yesterday the editor-in-chief of the U.S. NEWS AND WORLD REPORT, Joseph Galloway, and two collaborators of the magazine, retired Lieutenant General Harold G. Moore and British photographer Tim Page.

The reception took place in an atmosphere of openness and mutual understanding.

Indian Trade Delegation Arrives 11 Sep

*BK1209042190 Hanoi VNA in English 1455 GMT
11 Sep 90*

[Text] Hanoi VNA Sept. 11—An Indian trade delegation led by Minister of Commerce and Tourism Arun Kumar Nehru arrived here today beginning a 4-day official visit to Vietnam.

The Indian minister is accompanied by his deputy, K.N. Ardhanaree, and his assistant, S. Murihsharan.

The Indian delegation was received on its arrival in Hanoi by Minister of Commerce Hoang Minh Thang. This evening, it began talks with a Vietnamese trade delegation headed by Minister Hoang Minh Thang.

A trade protocol for the 1990-93 period is expected to be signed. This will be the first trade protocol between the two governments. It [words indistinct] agricultural produce and the supply of agricultural machinery by India.

The Indian delegation is expected to be received by Chairman of the Council of Ministers Do Muoi and Foreign Minister Nguyen Co Thach before flying to Ho Chi Minh City.

Party-State Leaders Greet Ethiopia's Revolution

*BK1209042990 Hanoi VNA in English 1458 GMT
11 Sep 90*

[Text] Hanoi VNA Sept. 11—Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, and Vo Chi Cong, president of the State Council, today sent a joint message of greetings to Mengistu Haile-Mariam, secretary general of the Workers' Party of Ethiopia Central Committee, chairman of the Provisional Military Administrative Council and commander-in-chief of the Revolutionary Army of Socialist Ethiopia, on the anniversary of Ethiopia's 16th Popular Revolution (Sept. 12) and National Day:

"Over the past 16 years, the Ethiopian people have upheld their tradition of staunch struggle, overcome countless difficulties and hardships and recorded important achievements in their glorious revolution. The Vietnamese people rejoice at those achievements and sincerely wish the fraternal Ethiopian people, under the leadership of the Workers' Party of Ethiopia and the Ethiopian Government headed by you, more achievements in national construction and defence contributing to the common struggle of the peoples in Africa and other parts of the world for peace, national independence and development.

"May the solidarity, friendship and cooperation between the parties, states and peoples of our two countries further consolidate and develop."

Nguyen Khanh Meets SRV Delegates to Asiad

*BK1209044190 Hanoi VNA in English 1502 GMT
11 Sep 90*

[Text] Hanoi VNA Sept. 11—Vice-Chairman of the Council of Ministers Nguyen Khanh had a cordial get-together here this morning with the Vietnamese delegation to Asiad-90 to be held in Beijing from Sept. 22 to Oct. 7.

Present at the get-together were Tran Hoan, minister of culture, information, sports and tourism; Prof. Duong Nghiep Chi, vice-president of the Vietnam Olympic Committee and head of the delegation, all the 67 athletes who will compete in 11 events, and all coaches.

Chinese Ambassador to Vietnam Zhang Dewei was on hand. Many Vietnamese and foreign pressmen attended the event.

Vice-chairman Nguyen Khanh said that this was Vietnam's ever biggest sport delegation to an international competition. He urged all members of the delegation to do their utmost to show the solidarity and friendship with people of the host country and other Asian delegations to the Asiad.

Minister Tran Hoan, for his part, expressed thanks to the host country and Ambassador Zhang Dewei for creating favourable conditions, including the means of transport, for the Vietnamese delegation to the Asiad-90.

At the end of the get-together, the participants watched a documentary film on Beijing's preparation for Asiad-90.

Angolan Trade Delegation Visits 31 Aug-5 Sep

*BK0709154490 Hanoi VNA in English 1502 GMT
7 Sep 90*

[Text] Hanoi VNA September 7—A trade delegation of the Angolan Government led by Deputy Minister of Trade and Industry Ambrosio Silvestre paid a working visit to Vietnam from August 31 to September 5.

While here the delegation paid tribute to President Ho Chi Minh at his mausoleum, visited the late Vietnamese leader's home and office, and the Ho Chi Minh Museum.

It had working sessions with leading officials of the Ministries of Commerce; Agriculture and Food Industry; Public Health; Communications, Transport and Posts; and Labour, War Invalids and Social Affairs; and the League for Specialist and Technological Cooperation.

The Angolan guests also visited a number of establishments for the production of export goods and Haiphong Port City.

Vo Chi Cong Greet Mongolian Leader on Election

*BK0509152990 Hanoi VNA in English 1449 GMT
5 Sep 90*

[Text] Hanoi VNA September 5—State Council President Vo Chi Cong today extended his warmest congratulations to Puntsalmaagiyn Ochirbat on his election as the First President of the Mongolian People's Republic.

"We note with joy," the Vietnamese leader wrote in his message, "that the friendship and cooperation between our two countries and peoples have developed fruitfully." He expressed his wish that these relations would be constantly promoted in the interests of the two peoples and of peace, security in Asia and the world.

FRG Offers 4.4 Million Dollars in Aid

*BK0509154990 Hanoi VNA in English 1451 GMT
5 Sep 90*

[Text] Hanoi VNA September 5—The Government of the Federal Republic of Germany has decided to give Vietnam seven million DM (about 4.4 million U.S. dollars) (as aid for technical development in) 1990. [parentheses as received]

This was revealed recently by J. Warnke, minister for economic cooperation of the FRG.

The sum will be used to support Vietnam's economic renovation and for projects on tropical forest survey and transfer of technology.

Vietnamese Party Lecturers Visit Laos

*BK0409161490 Hanoi VNA in English 1452 GMT
4 Sep 90*

[Text] Hanoi VNA September 4 - A group of lecturers of the Communist Party of Vietnam led by Khuong Ngoc Toan, deputy chief of propaganda of the Commission for Ideology and Culture of the party Central Committee, which is currently on a working visit to Laos, was received in Vientiane on Saturday by Somlat Chanthamat, secretary of the Lao People's Revolutionary Party Central Committee and head of its commission for propaganda and training.

Somlat Chanthamat said the Vietnamese party lecturers' visit to Laos was a contribution to strengthening the solidarity, friendship, and all-round cooperation between the two countries.

On August 31, the Vietnamese guests lectured on the Vietnamese people's achievements in socialist construction over the past 45 years and their initial results in the renovation process at present.

The visit is scheduled to conclude on September 6.

Vo Chi Cong Greets Al-Qadhdhafi on Libyan Day

*BK3108163990 Hanoi VNA in English 1459 GMT
31 Aug 90*

[Text] Hanoi VNA August 31—State Council President Vo Chi Cong today extended his warmest greetings to Colonel Mu'ammar al-Qadhdhafi on the 21st Revolution Day of the Socialist People's Libyan Arab Jamahiriyah (September 1).

In his message, Vo Chi Cong expressed the Vietnamese people's joy at the achievements recorded by the Libyan

people in their national construction and defense over the past 21 years and wished the latter still greater successes so as to contribute to the struggle of the Arab peoples and the people all over the world for peace, national independence, and development.

He also wished for the constant consolidation and development of the solidarity, friendship, and cooperation between Vietnam and Libya.

Do Muoi Receives Outgoing Canadian Ambassador

*BK3008163390 Hanoi VNA in English 1453 GMT
30 Aug 90*

[Text] Hanoi VNA August 30 - Canadian Ambassador to Vietnam Lawrence A.H. Smith today paid a farewell visit to Chairman of the Council of Ministers Do Muoi before ending his term of office in the country.

The Vietnamese leader had a cordial talk with the outgoing ambassador.

Total Foreign Investment Doubles in Past Year

*BK1209091890 Hong Kong AFP in English 0835 GMT
12 Sep 90*

[By Jean-Claude Chapon]

[Text] Hanoi, Sept 12 (AFP)—Total foreign investment in Vietnam, mainly from Europe, has doubled in the past year to surpass 1.2 billion dollars, official figures released here Wednesday showed.

Investment in Vietnam amounted to 636.8 million dollars in the previous year. Hanoi started allowing foreign investment in December 1986.

Foreign experts said that investment could see a major rise—mainly from so far relatively wary Asian countries—if a solution is reached to the war in Cambodia, where Hanoi backs the Phnom Penh government.

"Vietnam has given approval up to now for 183 foreign firms to invest in the country, with a total capital of more than 1.2 billion dollars," the State Committee for Cooperation and Foreign Investment reported.

"Thirty other foreign investment projects in different sectors are currently being studied," the committee added, without specifying the amount involved.

According to a study by Western experts, two thirds of the investment—mostly in oil exploration, agriculture and marine products—was made by European countries.

Britain topped the list of capitalist nations investing in Vietnam last year, accounting for 30.01 per cent, followed by France with 21.44 per cent, and the Netherlands with 19.03 per cent, the study said. The three focused their investment on oil exploration, it added.

The study revealed that Asian investment in the same period remained weak—save for India and Australia

accounting for 10.99 per cent and 9.08 per cent respectively—with Japan representing only 0.03 per cent of the total. South Korea accounted for 0.72 per cent, Singapore 0.54 per cent, Thailand 1.11 per cent and Hong Kong 5.63 per cent.

Asian countries' lack of investment and the non-existence of American capital in Vietnam is a result of the Cambodian civil war and a U.S. economic embargo imposed on Hanoi after its December 1978 invasion of Cambodia. But a breakthrough agreement between the warring factions reached Monday in Jakarta that adopted a U.N. peace framework could lead to peace in Cambodia, one of Washington's preconditions for restoring ties with Hanoi.

Meanwhile illegal trade between Vietnam and other Asian countries is flourishing, with contraband reaching southern Vietnam in the first six months of 1990 worth 100 million dollars and 24 tonnes of gold, official reports say.

Experts expect an influx of Asian investment in Vietnam after a resolution in Cambodia, starting with Thailand.

Thai Prime Minister Chatchai Chunhawan said in 1988 that he wanted to turn the battlefields of Indochina into economic markets.

Such efforts would also be helped by a return of aid from international lending organizations to Vietnam, frozen since Hanoi's invasion of Cambodia. Vietnam can expect a substantial quantity of such aid once the Cambodian issue is resolved, as its total debt to these bodies at present amounts only to some 300 million dollars.

Committee Reports on Foreign Investment

*BK1109104790 Hanoi VNA in English 0728 GMT
11 Sep 90*

[Text] Hanoi VNA September 11—Vietnam has licenced 183 foreign investors with a total capital of more than 1,206 million U.S. dollars including the legal capital of over 877 million U.S. dollars, says a recent report made public here recently by the State Committee for Foreign Cooperation and Investment.

Investors whose total investment exceeds 100 million U.S. dollars are from Britain, Canada, Holland, Hong Kong, France and Australia, most of them invest in oil and gas exploration and exploitation on continental shelf. To date, nine licences have been granted for these transactions. More than 30 projects in different fields are being studied by the State Committee for Foreign Cooperation and Investment for licence granting.

Sub-law documents have been promulgated to perfect the country's juridical system relating to foreign investment in Vietnam. They include the tax on land, the insurance policy applied to foreigners, and working regulations for foreign-invested joint ventures.

Minister of Labour, War Invalids and Social Affairs Tran Dinh Hoan on August 29 signed a decision on the minimum monthly salary of workers at foreign-invested enterprise. The minimum monthly earning is stipulated at 50 U.S. dollars, a level apparently lower than that of neighbouring countries.

Overseas Vietnamese Send Foreign Technology Home

*BK0509092790 Hanoi VNA in English 0735 GMT
5 Sep 90*

[Text] Hanoi VNA Sept 5—Over the past 10 years, overseas Vietnamese have in diverse forms made considerable contributions to national construction.

They have sent home scientific and technological information, machines and spare parts high-yield crop varieties, chemicals, and lab equipment.

In Ho Chi Minh City, a mini-oil refinery with an annual capacity of 40,000 tonnes was built with a joint investment of Vietnamese residents in France, Belgium, the Federal Republic of Germany (FRG), and Great Britain.

Vietnamese nationals in the FRG have assisted the general printing enterprise of Ho Chi Minh City LIKSIN with electronic printing equipment and Vietnamese residents in France have opened joint ventures with health care service in Vietnam to produce medicine, contraceptive devices, and surgical catgut.

In collaboration with Vietnamese and Argentina many scientific establishments in Hanoi and Ho Chi Minh City have developed modern scientific and technological branches in informatics, electronic technology, agriculture, and food industry. [sentence as received]

As from September 1989, Vietnamese has become the 29th member of the "transfer of knowledge through expatriate nationals-token" program sponsored by the United Nations Development Program (UNDP).

First VISA Credit Card Service Center Opened

*BK0109124990 Hanoi VNA in English 0654 GMT
1 Sep 90*

[Text] Hanoi VNA September 1—A VISA centre has been set up in Ho Chi Minh City jointly by the Saigon Commerce and Industry Bank and the Dai Partners International SA.

The first VISA centre starts its operation as from today with initial capital of 400,000 U.S. dollars. Its payment will be handled through VISA credit cards to facilitate foreign tourists, businessmen and overseas Vietnamese when working and living Vietnam.

The centre is based in Ho Chi Minh City and its activities are expected to develop to other localities.

VISA is receiving support from the financial Tyndall group of England, international banks and VISA International in the Asia-Pacific region.

Commerce Minister Receives Foreign Businessmen*BK3008162190 Hanoi VNA in English 1444 GMT
30 Aug 90*

[Text] Hanoi VNA August 30 - The Ministry of Commerce gave a reception here today to representatives of foreign trade companies in Hanoi on the 45th National Day of Vietnam (September 2).

Addressing the function, Minister of Commerce Hoang Minh Thang said:

'While trying to expand its economic and trade relations with foreign countries, Vietnam has always paid special attention to its traditional partners on the principles of equality and mutual benefit. We are encouraging Vietnamese economic organizations to broaden their relations with foreign establishments. We wish to consolidate and develop economic and trade relations with foreign countries at the governmental level with a view to creating favourable conditions for their efficient operation'.

The minister of commerce said that Vietnam has established trade relations with 47 countries and signed almost 40 trade agreements at the governmental level. In the first half of this year, he went on, Vietnam's export turnover rose to 1,056 million rubles-dollars, increasing by 53.5 percent over the corresponding period last year.

Haiphong Security Forces Arrest '305 Criminals'*BK1209061590 Hanoi Domestic Service in Vietnamese
0500 GMT 11 Sep 90*

[Text] Since early August, the public security forces at wards, districts, and cities in Haiphong Municipality have stepped up their patrol, motivated the people to participate in a campaign against crimes, and arrested 305 criminals, including 16 wanted ones.

With assistance from the people, the public security forces cracked down 16 gangs of bandits and thieves, arresting 44 of them and confiscating a volume of weapons. Moreover, the people and the forces persuaded 35 criminals to surrender themselves to the authorities.

Writer Urges People To Use Locally Made Goods*BK1209085990 Hanoi Domestic Service in Vietnamese
1100 GMT 11 Sep 90*

[Article by Comrade N.V.L.: "Task That Must Be Done Immediately"]

[Text] There is an old proverb which says: "Be it ever so humble, there is no place like home," now we should change it to: "Be it different in quality, we will use our home-made products." This is because people are now willing to use gold and foreign currencies to buy foreign goods ranging from luxurious items to bamboo tooth-pick, pickled scallion heads, and coconut milk and so forth.

In fact, we should save our gold and foreign currencies for importing materials, raw materials, equipment, fertilizer, and insecticides and so forth to improve our agricultural and industrial production.

Foreign goods were smuggled into Vietnam, thus their prices are cheaper than the locally-made ones, while their quality is better than that of the latter. As a result, foreign goods were in great demand while locally-made goods were unsaleable. This has caused a stagnation in investment and has forced many enterprises and cooperatives to close down or to reduce their production output. Many workers were jobless or became semi-unemployed, thus facing difficulties in their daily life.

N.V.L. earnestly hopes that, in the spirit of the proverb: "Be it ever so humble, there is no place like home," our people will urge one another to use the locally-made goods to help save the situation. All production establishments at home must strive to improve the quality of their products in order to be able to gradually compete with foreign goods, thus putting into practice the above-said modified proverb.

[Signed] N.V.L.

Ceremony Marks Customs Department's Anniversary*BK1109143590 Hanoi Domestic Service in Vietnamese
1100 GMT 10 Sep 90*

[Report on 10 September Hanoi meeting marking the 45th founding anniversary of the Vietnam Customs Sector—portions recorded]

[Summary] "The Customs General Department held a grand ceremony this afternoon, 10 September, at the Vietnam-Soviet Friendship Cultural Center, to mark the 45th founding anniversary of the Vietnam Customs Sector and to receive the Independence Order Second Class, a high distinction awarded by the Council of State to the cadres and combatants of the entire sector on this jubilant occasion."

Attending the ceremony were "Comrade Dam Quang Trung, secretary of the party Central Committee and vice chairman of the Council of State, Comrade Nguyen Khanh, member of the party Central Committee and vice chairman of the Council of Ministers," and other leading comrades of various ministries and sectors at the central level and in Hanoi.

At the ceremony, Comrade Truong Quang Duoc, head of the Customs General Department, delivered a speech reviewing achievements in development and growth of the Vietnam Customs Sector over the past 45 years. He said: The ever-growing customs force has become an effective tool of the state to enforce the law on import-export activities. He highly valued the support of various sectors and localities concerned and pointed out those areas of work that the customs sector is still weak on.

Afterward, Comrade Nguyen Khanh, deputy head of the Customs Department, read a decision of the Council of

State conferring the Independence Order Second Class on the customs sector for its positive contributions to maintaining order in the import-export domain as well as to socialist construction and national defense.

"On behalf of the Council of State, Comrade Dam Quang Trung pinned the Independence Order on the traditional banner of the customs sector while a brass band played a rousing tune."

Comrade Nguyen Khanh, vice chairman of the Council of Ministers, spoke, hailing the achievements scored by the Vietnam customs sector over the past 45 years and dealing with the existing tasks of the customs sector. He said:

[Begin Nguyen Khanh recording] "The socioeconomic situation in our country has shown great progress. Although many important changes for the better have been noted, countless difficulties still persist. There are new developments in economic and cultural relations with foreign countries and this is an important task in the economic strategy of our party and state. But there are also many new complexities and new problems to be solved.

"It is an important duty of the Customs Sector to contribute to ensuring the implementation of party and state policies on promoting economic and cultural relations with foreign countries, as well as to intensifying international exchanges and cooperation while protecting our national interests, sovereignty, and security.

"At present, we must step up the antismuggling struggle. This is a burning, complex, and tough issue. The Council of Ministers has set up many special antismuggling committees with the participation of the customs sector. The customs sector must muster all of its force to closely cooperate with other sectors at the central level and with the local administrations and the people in fulfilling its duty of struggling more effectively against all forms of smuggling activities from any direction with emphasis placed on key areas." [end recording]

The comrade head of the Customs General Department concluded the ceremony by pledging to scrupulously implement the instructions of the comrade vice chairman of Council of Ministers.

Hoang Lien Son Steps Up Border Management Work

BK0709102190 Hanoi Domestic Service in Vietnamese 1100 GMT 6 Sep 90

[Text] The Hoang Lien Son provincial party committee and people's committee met in Sa Pa district recently to draw experience on work related to border management during the past two years and to introduce measures for this work in the days ahead.

The provincial party committee and people's committee decided to readjust a number of border-crossing points as well as to set up interbranch checkpoints for the

control of travel and export-import activities and collection of border-crossing fees and commodity taxes.

State Council Decides To Adjust Commodity Taxes

BK0709093290 Hanoi Domestic Service in Vietnamese 1100 GMT 6 Sep 90

[Text] The Council of State has recently decided to adjust taxes on a certain number of commodities in the tariffs of exports and imports. The tariff of exports to be adjusted in this decision concerns rice, corn, cashew, coffee, tea, and black pepper. The tariff of imports to be adjusted concerns fuel, raw materials, minerals, metals, electronic spare parts for domestic appliances or whole electronic assemblies.

The Council of State assigns the Council of Ministers to fix specific taxes for a number of commercial goods that have been imported under the form of spare parts or semi-products by 50 to 70 percent of those imposed on commercial goods of the same type that have been imported under the form of end-products.

This decision will become effective on 1 October 1990.

Vo Chi Cong Letter to Teachers on Academic Year

BK0509095290 Hanoi VNA in English 0758 GMT 5 Sep 90

[Text] Hanoi VNA Sept 5—The 1990-91 academic year was inaugurated throughout Vietnam today with a total enrollment of more than 14.5 million children in all pre-school, and general education institutions.

On this occasion, President of the State Council Vo Chi Cong sent a letter to all teachers and other cadres and workers employed by the Ministry of Education and Training, highly commending their achievements and efforts over the past years. The letter says:

'The education and training service must play a core role in eliminating illiteracy, and universalizing general education in the country, thus practically contributing to building the socialist-minded, well-educated, and physically strong work force for national development.'

The President also called on all political, social and mass organizations to pay more attention to the cause of education and training by providing the school with more and better facilities for teaching and learning, helping reduce the burden of economic problems of the teachers, and mobilizing all strata of people to contribute to the care and education of children.

This school year, 2.2 million children are enrolled in the first grade of basic general education.

In preparations for the new school year, the central coastal province of Khanh Hoa has invested more than 200,000 million [as received] Vietnamese dong in repairing and upgrading the material bases of its secondary education schools, Thanh Hoa Province, also in central Vietnam, has spent nearly three billion dong on

repairing the degraded schools and building more classrooms, especially in the economically difficult and mountain areas.

The plain of reeds area in Tien Giang Province has built 100 more classrooms, made 200 sets of desk and bench and bought 15,000 new textbooks for the pupils.

Le Quang Dao Attends New School Year Function

*BK0609082390 Hanoi Domestic Service in Vietnamese
2300 GMT 5 Sep 90*

[Text] On 5 September, National Assembly Chairman Le Quang Dao attended a ceremony to begin the new academic year of the Kim Lien general high school at Nam Dan District, Nghe Tinh Province.

Also attending the function were leading comrades of the provincial party and people's committees and of Nam Dan District people's councils.

The Kim Lien general high school was built with money donated by Vietnamese residents in Thailand to show their respect and love for Uncle Ho. It is a four-story concrete school and composed of 16 classrooms.

Speaking to students and teachers at the school, Chairman Le Quang Dao commended them and the local authorities for their efforts in overcoming difficulties to score achievements in the educational domain. The chairman expressed the hope that in the new academic year, Nghe Tinh Province will pay more attention to enhancing the quality of teaching and learning and building more material bases for the school and the educational sector as a whole.

The chairman also wished the students more achievements in the new academic year to enhance the reputation of a school built in esteemed Uncle Ho's native place.

Education Minister on New Academic Year

*BK0509093490 Hanoi VNA in English 0747 GMT
5 Sep 90*

[Text] Hanoi VNA Sept 5—Speaking at a conference on education held recently in Ho Chi Minh City, Tran Hong Quan, minister of education and training, affirmed the achievements recorded over the past three years in implementing the renovation of general education (1987-90). He said:

'The educational cause has been maintained and consolidated the system of 12-year general education has been applied throughout the country. [sentence as received] The content of education has been renovated, the objectives and plans of training have been concretized. Many new schools and classrooms have been built.'

According to the Minister, the contingent of managerial cadres and teachers has been stabilized. Most of them have overcome difficulties. Making great contributions to the educational cause.

However, he also pointed to some weaknesses and shortcomings in the educational work such as: the scale of educational development has not been defined, the social position of teachers has not been unified and stabilized, school equipment has been inadequate and not up to the mark, etc.

On the tasks of the 1990-91 academic year, Tran Hong Quan pointed out that the literacy campaign must be stepped up so as to help 500,000 people be able to read and write by the end of 1990-91 academic year, the primary education must be universalized in some localities in the next one or two years that schools of different forms such as people-funded schools. [sentence as received] Boarding schools for ethnic minorities in mountain districts and provinces must be built, the quality of the contingent of teachers and managerial cadres must be improved, etc.

He pointed to the necessity to build up a unified educational management system in the whole country and continue to promulgate policies preferential to educational workers and teachers in mountain, island and remote areas.

Dong Sy Nguyen Meets With Typhoon Victims

*BK0609082790 Hanoi Domestic Service in Vietnamese
1100 GMT 5 Sep 90*

[Text] Comrade Dong Sy Nguyen, member of the Communist Party of Vietnam Central Committee Political Bureau and vice chairman of the Council of Ministers, recently visited Quang Binh Province to observe efforts to overcome the consequences of typhoon No. 5. He also met with people in typhoon-stricken areas in Quang Trach and Bo Trach Districts and Dong Hoi City.

Accompanying Comrade Dong Sy Nguyen were representatives from the Ministries of Finance, Water Conservancy, Agriculture and Food Industry; Communications, Transportation, Post and Telegraph; Construction; and Public Health.

Typhoon no. 5, which hit Quang Binh during the high-tide caused high water levels in the Doanh and Nhat Le Rivers, thereby submerging 7,800 hectares of the 8th-month rice and 2,457 hectares of the 10th-month rice, of which 5,360 hectares were completely destroyed.

Typhoon no. 5 also damaged almost 818,000 cubic meters of concrete block at water conservancy projects and on roads. Many sections of the provincial 30-km sea-water dike were wiped out, thus submerging rice-fields and directly affecting the 10th-month rice and the upcoming winter crops.

Vice Chairman of the Council of Minister Dong Sy Nguyen commended cadres and people of Quang Binh for their unity and efforts to overcome consequences of the natural calamity. He urged the people to uphold the spirit of self-reliance in the monsoon season in order to

quickly overcome consequences of typhoon no. 5 and to be prepared to cope with upcoming typhoons.

Nguyen Van Linh on Ideological Work in Colleges

*BK0509152390 Hanoi VNA in English 1439 GMT
5 Sep 90*

[Text] Hanoi VNA September 5—The Ministry of Education and Training has held a conference here on the ideological work in universities and colleges of northern provinces.

The conference which lasted from August 28-Sept. 1 was attended and addressed by Party General Secretary Nguyen Van Linh. The party leader highly valued great efforts of the educational branch to surmount numerous difficulties and achieved remarkable achievements in the educational field, especially in the diversification of the educational forms and the enhancement of the quality of education and training. He acclaimed initial successes in the scientific and technological research and their application to production and daily life.

He highly appreciated the orientation to broaden democracy in universities [and] colleges, noting that since December 1987, 21 universities and colleges and two high vocational schools have elected their principals. In face of the present difficult and complicated situation, he said, almost all intellectuals of the educational and training branch remain sober and unswerving thus distinguishing right from wrong and showing their firm conviction in the process of renovation initiated and led by the party.

However, he pointed out, our progress in the educational cause still fails to meet the requirement, the quality and efficiency of education remain low, and teachers and students are beset with difficulties in their teaching, study and daily life.

The party leader reiterated the firm resolve of the party and state to give more priority to the educational service, first of all the elimination of illiteracy, the popularization of compulsory basic education, and the enhancement of the quality of teaching and learning. He also drew the teachers' attention to fostering talented students, combining cultural and moral education, and making combined efforts of schools, families and society in the educational cause.

Dong Sy Nguyen Addresses Bank Conference

*BK0409073590 Hanoi Domestic Service in Vietnamese
2300 GMT 2 Sep 90*

[Text] Recently, the Vietnam Investment and Construction Bank held a branch directors conference to evaluate results after two years in operation according to Decree 53-HDBT [Council of Ministers] and to discuss preparatory measures for implementing bank regulations from 1 October 1990.

Comrade Dong Sy Nguyen, Political Bureau member and vice chairman of the Council of Ministers, attended

and spoke at the conference. He stressed the two main questions for the industry—to whom should loans be provided and how to provide them, and which is the most lucrative area for the bank to invest its capital to help keep inflation under control. The bank should not grant credit for sentimental reasons—that is, to allow good talkers to borrow a lot of money or to withdraw their funds quickly, without considering the possible negative effects in credit relations. The bank should clearly identify the state enterprises, sectors, and localities which have fallen behind in repaying their debts totaling more than 1,700 billion dong in 1989. Only by so doing will it enable the state and responsible sectors to work out appropriate corrective measures.

NHAN DAN Urges State Mechanism Strengthening

*BK0209051590 Hanoi Domestic Service in Vietnamese
2300 GMT 1 Sep 90*

[NHAN DAN Editorial: "Our State: The State of the People, for the People, and by the People," dated 2 September]

[Text] The great August Revolution in 1945 led to the establishment of a new state of Vietnam—the state that upholds the people's right to mastery.

Over the past 45 years, under the leadership of the Communist Party of Vietnam [CPV], our state has mobilized all forces of the nation for major struggles of historical significance in the era. We defeated two great imperialist nations and won resounding victories in the two wars of resistance for national salvation, thus gaining independence and freedom and engaging in building a new life.

Although we changed our nation's name from the Democratic Republic of Vietnam to the Socialist Republic of Vietnam, the nature of our state remains the one of the people, by the people, and for the people. Reality has proven that it is difficult to regain administrative power, but to maintain it is even more difficult. To retain administrative power, it is necessary first of all to make it strong and capable in combat and construction as well as in foiling all acts of sabotage against the revolution at home and abroad.

The most important thing is to maintain our state's characteristic of serving the people—the state built by the people must work for the people. As a result, our state has formulated the best economic, cultural, and social development programs for the nation and has enthusiastically cared for the people's daily life. Such negative phenomena as bureaucratism, distancing oneself from the people, authoritarianism, suppressing the people, special privileges, and corruption are practices running counter to our state's characteristics; they are depraved acts leading to degeneration. As a result, we must definitely eliminate them from our political and social life.

Our political system—which is composed of the CPV, the state, the Vietnam Fatherland Front, and mass

organizations and societies—must be organized into a dynamic mechanism, one led by the party, managed by the state, and controlled by the people. This mechanism must symbolize the people's power in governing the nation and society.

The comprehensive renovation cause set forth by the party—which includes renovation of and perfecting the economic and political systems—has become a basic and urgent task. The essence of this renovation is to build and gradually perfect socialist democracy; ensure that all citizens are real masters in building a new society and that their labor obligations are implemented and their interests protected; that all have the right to participate in state, economic, and social management; and that all have the duty to defend the nation and protect the revolutionary gains.

The state—an organ that carries out all activities of the nation and manages all aspects of the social life in the framework of the people's rights and will power—must be built into an organ with full power entrusted by the people. The people's democratic rights in the economic, political, and spiritual domains must be legalized, while the state must govern society by enforcing the law. Strengthening the state's management efficacy and developing the people's right to mastery are processes of legalizing all activities in society, building and enforcing the law, and living and working in accordance with the law. All people are equal before the law without exception.

We must uphold and truly respect the authority of all popularly elected agencies, clearly define the function of state management and that of the production and business management. We must, on this basis, consolidate echelons of the administrative mechanism, improve the contingent of cadres qualitatively and quantitatively, and strengthen our management mechanism. These are tasks that must be satisfactorily carried out immediately.

Commemorating the 45th anniversary of our state, we are determined to fight for the prosperity of our socialist state and for the renovation and perfection of our state machinery to make it a real democratic model truly symbolizing the people's right and power.

Labor Statute Promulgated for Foreign Enterprises

*BK3108155590 Hanoi VNA in English 1438 GMT
31 Aug 90*

[Text] Hanoi VNA August 31—The Council of Ministers has promulgated a labor statute for foreign invested enterprises in Vietnam.

The statute consists of 12 chapters and 59 articles. This is one of the eleven sub-laws of the law on foreign investment which was promulgated in December 1987.

According to this statute, foreign invested enterprises may recruit Vietnamese citizens to train in one of these three forms:

- 1 - To recruit personnel presented by local labor organs in accordance with the needs of the enterprise.
- 2 - To empower a labor supply agency or a service company to recruit manpower in accordance with the needs of the enterprise.
- 3 - In case the persons introduced by local labor organs or selected by the service agency do not meet its needs, the enterprise may recruit people from other localities.

The statute also allows foreign invested enterprises to recruit minors (but not under 16) for training and to employ foreigners in high-tech jobs or managerial jobs which the Vietnamese side cannot assume.

The labor contract must be signed between the director and each worker according to a unified form published by the Ministry of Labor, War Invalids, and Social Affairs. There are three kinds of labor contracts: contract with time-limit, contract without time-limit, and seasonal or specific-job contract.

The document also provides for the conditions for automatic or unilateral termination of contracts. In any case, the enterprise has to inform the local labor management office in advance—60 days at least for contracts without time-limit and 30 days at least for contracts with time-limit.

In regard to the wages and other payments, the statute stipulates that wages must conform to the collective labor agreement and must not be lower than the lowest rate applied to the foreign invested enterprises to be defined by the Ministry of Labor, War Invalids, and Social Affairs annually after consulting the concerned parties. The lowest rate for a simple laborer in normal working conditions is 50 U.S. dollars per month.

The statute also stipulates payments for night work, extra hours, holidays, and other allowances.

All statutes and regulations which are in force in the foreign invested enterprises but which do not conform to this statute are abrogated.

The Ministry of Labor, War Invalids, and Social Affairs will make public concrete instructions and modalities for application of this labor statute.